

# **THE BUDGET IN BRIEF**

**FISCAL YEAR 2008**



**United States  
Department of State**

**DEPARTMENT OF STATE  
THE BUDGET IN BRIEF  
FISCAL YEAR 2008**

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# BUDGET SUMMARY

*I would define the objective of transformational diplomacy this way: to work with our many partners around the world to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system... We must transform old diplomatic institutions to serve new diplomatic purposes, and we must empower our people to practice transformational diplomacy.*

– Dr. Condoleezza Rice  
Secretary of State

## ***Overview***

America stands committed to a bold mission – supporting the growth of democratic movements and institutions in every nation and culture with the ultimate goal of ending tyranny in the world. Consistent with historic American ideals, this mission is also vital to U.S. national security. For democracy and freedom represent the best way to defeat ideologies that use terror as weapons and the surest means to build peaceful and stable societies.

The mission requires equally bold diplomacy. American diplomacy must be transformational – seeking not just to report on the world as it is, but to change it for the better. Together with partners on every continent, the United States must work to promote effective democracy and responsible sovereignty.

As a key national security institution, the Department of State presses the mission globally. American diplomats engage governments and publics around the world to advance U.S. security interests, development efforts, and democratic values together.

The FY 2008 budget identifies the resources required by the State Department to meet the mission – the resources necessary to reorient the Department towards transformational diplomacy and position it to serve new national purposes.

## ***FY 2008 Budget Request***

The FY 2008 budget request for all State Department appropriations totals \$10.014 billion, not including additional FY 2008 funding requested for the Global War on Terror. These appropriations fund the programs, operations, and infrastructure essential to conduct U.S. diplomatic and consular relations in more than 180 countries. They also support vigorous U.S. engagement abroad through public diplomacy and international organizations.

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The resources requested for these appropriations in FY 2008 will sustain ongoing initiatives for people, security, facilities, information technology, and management reform. They will also address new and increased requirements to advance transformational diplomacy. These include repositioning the U.S. global diplomatic presence, expanded roles for U.S. representatives on the ground, increasingly complex and dangerous missions, and coordinating U.S. Government civilian efforts on reconstruction and stabilization.

The FY 2008 budget request will enable the Department to:

- **Advance Transformational Diplomacy**

The request provides \$125 million to strengthen the American diplomatic presence overseas. This funding will support 254 new positions to meet new realities in the international arena, where power is defined increasingly in economic and financial terms and where transnational threats like terrorism, disease, and drug trafficking are critical priorities. The new positions will support a multi-year global repositioning, adding expertise at overseas posts to deal with national security challenges and staff for new American Presence Posts. Positions in the request will also expand critical foreign language training and specific training modules for transformational diplomacy. Further, positions will strengthen coordination of civilian efforts to stabilize and reconstruct societies in transition from conflict or civil strife, increasing management capacity for overall USG strategy and constituting an Active Response Corps for immediate deployment.

- **Support the Global War on Terror**

The request provides \$965 million in Worldwide Security Upgrades to strengthen security for diplomatic personnel, facilities, and information in the face of international terrorism. This funding will extend the core program to upgrade security equipment and technical support, information and systems security, perimeter security, and security training. Funding increases will help to meet new security demands in all regions, including those of American Presence Posts. Because people continue to be the single most important factor in deterrence and response to terrorist acts, the funding will add 52 security professionals.

- **Secure borders and open doors**

The FY 2008 budget provides \$1.306 billion for the Border Security Program. This program protects America's borders against the illegal entry of terrorists and others who threaten homeland security. At the same time, it facilitates the entry of legitimate foreign visitors and students. Revenue from Machine Readable Visa (MRV) fees, Enhanced Border Security Program fees, the Western Hemisphere Travel Surcharge, and visa fraud fees will fund continuous improvements in systems, processes, and programs. The fees will also fund 122 additional consular positions required to address rising passport demand associated with the Western Hemisphere Travel Initiative and rising visa demand, including increases related to Border Crossing Card (BCC) renewals. In FY 2008, the BCC renewal program will have a major impact on consulates along the U.S.-Mexican border.

- **Build and maintain secure diplomatic facilities**

The request provides \$1.599 billion to continue security-driven construction projects and address the major physical security and rehabilitation needs of U.S. embassies and consulates. This total includes \$692 million for the Capital Security Construction Program to replace diplomatic facilities at the most vulnerable posts. In FY 2008, the Department will begin design and construction of 11 new facilities, including new embassy compounds in Kinshasa, Lusaka, and Tripoli. During the fourth year of Capital

## BUDGET SUMMARY

Security Cost Sharing (CSCS), USG agencies with personnel abroad under Chief of Mission authority will contribute \$362 million to CSCS construction. The request total also includes \$115 million to upgrade compound security at high-risk posts and increase protection for soft targets such as schools and recreation facilities. In addition, the budget total includes \$793 million for ongoing programs, including operations and maintenance necessary to protect U.S. real estate assets valued at over \$14 billion and keep more than 15,000 properties functional.

- **Invest in information technology**

The request provides \$314 million, including revenue from fees, for Central Fund investments in information technology (IT). The ability of the Department to support transformational diplomacy, information sharing, rightsizing efforts, and e-Government initiatives is dependent on robust, secure IT. The funding will support the State Messaging and Archive Retrieval Toolset (SMART) project, diplomacy through collaboration, and infrastructure that provides American diplomats with anywhere/anytime computing. The Department's budget for IT in FY 2008 from all funding sources totals \$905 million.

- **Inform and influence through public diplomacy**

The request provides \$359 million in appropriations for public diplomacy to inform foreign opinion and win support for U.S. foreign policy goals. In addition to advocating U.S. policies, public diplomacy communicates the principles that underpin them and creates a sense of common interests and values. To help win the war of ideas, funding increases in FY 2008 will support efforts to combat violent extremism in key countries. Objectives of the public diplomacy strategy include engaging Muslim communities, promoting democracy and good governance, de-legitimizing terror, and isolating terrorist leaders and organizations.

- **Engage and educate through international exchanges**

The request provides \$486 million for educational and cultural exchanges to increase mutual understanding and engage the leaders of tomorrow. Aligned with other public diplomacy efforts, these people-to-people programs are uniquely able to address complex and difficult issues and lay foundations for international cooperation. Funding increases in FY 2008 will raise the number of foreign and American participants in exchange programs of proven value and create new opportunities to educate and empower, particularly in the Muslim world. The funding will expand the President's National Security Language Initiative by promoting teaching and study by Americans of critical need foreign languages, particularly Arabic, Chinese, Farsi, Russian, and Turkic languages. The funding will also support new efforts to strengthen international education in the national interest under a State-Education initiative. Further, the funding will expand professional and cultural programs to support the National Security Strategy, bringing to America journalists, teachers, religious educators, and others who influence their nations and the way young people think.

- **Work through international organizations**

The request provides \$1.354 billion to pay U.S. assessed contributions to 45 international organizations, including the United Nations. The request recognizes U.S. international obligations and reflects a commitment to maintain the financial stability and efficiency of those organizations. Membership in international organizations assists in building coalitions and gaining support for U.S. policies and interests. Further, multilateral diplomacy through such organizations serves key U.S. foreign policy goals, including advancing democratic principles and fundamental human rights, promoting economic

## BUDGET SUMMARY

growth through free trade and investment, settling disputes peacefully, encouraging non-proliferation and arms control, and strengthening international cooperation in environment, agriculture, technology, science, education, and health.

- **Participate in international peacekeeping**

The request provides \$1.107 billion to pay the U.S. share of costs for UN peacekeeping missions. This funding will help support peacekeeping efforts worldwide, including critical missions in Sudan, Lebanon, Haiti, Liberia, and the Congo. Such peacekeeping activities further U.S. goals by ending conflicts, restoring peace, and strengthening regional stability. They also leverage U.S. political, military, and financial assets through the authority of the UN Security Council and the participation of other states that provide funds and peacekeepers for conflicts around the world.

### ***President's Management Agenda / Management Reform***

In addition to the resources required for transformational diplomacy and foreign affairs programs, the FY 2008 budget includes resources for the State Department to work more effectively and efficiently. These resources are needed to further the Government-wide initiatives of the President's Management Agenda (PMA): budget and performance integration, improved financial performance, strategic management of human capital, competitive sourcing, and expanded electronic government. The Department is also the principal implementing partner – with the Office of Management and Budget as the lead – of the PMA initiative on rightsizing the U.S. Government's overseas presence and is one of 14 agencies participating in the PMA initiative on Federal real property asset management.

In the fourth quarter of FY 2006, the State Department became the second agency since the PMA was launched to achieve green (the top rating) for status on all five Government-wide initiatives. The Department also reached green on both rightsizing and real property asset management. In addition, for three successive years, State has won President's Quality Awards – the highest awards given to Executive Branch agencies for management excellence in achieving the objectives of the PMA. As these outstanding scores and awards indicate, the Department is not just changing at the margins, but rather transforming itself and its practices:

- State has fundamentally reorganized the way it budgets, plans, and manages foreign assistance. With establishment of a new foreign assistance strategy and framework, country programs have been re-focused to respond to the goals of transformational diplomacy.
- State is becoming more flexible through multi-year repositioning of the American diplomatic presence overseas. By the end of 2008, the Department will have redirected 300 positions to meet priority transformational diplomacy issues such as nonproliferation, counter-terrorism, and getting the U.S. message out to local Muslim communities. These positions include staff for 17 new American Presence Posts in cities where the United States currently has no diplomatic representation.
- Through the process established by National Security Decision Directive 38, State is working with other agencies to rightsize USG presence overseas. As alternatives to putting new functions at individual posts, bureaus are energetically exploring alternatives such as regionalization and containing the costs of duplicative administrative support.

## **BUDGET SUMMARY**

- State is aggressively pursuing a Department-wide restructuring aimed at consolidating functions, reducing organizational layers, and eliminating or outsourcing low-priority, non-core functions. Furthermore, bureaus are pursuing expansion of shared services and Centers of Excellence.

### ***Performance Evaluation and Integration***

Substantive discussions of program performance and results, including ratings by the Program Assessment Rating Tool (PART) for this budget cycle, can be found in the account justification sections of this volume. This volume also includes a pilot performance presentation in support of the PMA budget and performance integration initiative. The presentation substitutes for the traditional narrative under Worldwide Security Upgrades in the State Programs section.

### ***FY 2007 Supplemental and Additional FY 2008 Funding***

The President's budget also includes requests for supplemental funding in FY 2007 and additional FY 2008 funding to support the Global War on Terror. For FY 2007, requirements for Department of State appropriations total \$1.168 billion. Of this total, \$824 million will address the personnel, logistical, security, and other costs associated with operating the U.S. Mission in Iraq, including expansion of Provincial Reconstruction Team (PRT) operations throughout Iraq. For FY 2008, State requirements total \$1.935 billion, including \$1.882 billion for the full year of the extraordinary costs associated with operating the U.S. Mission in Iraq, including continued expansion of the PRTs.

### ***Budget Request Details***

The following sections of this volume include details of the FY 2008 budget request for Department of State appropriations, as well as details of the requests for FY 2007 supplemental funding and additional FY 2008 funding. The sections provide specific resource requirements for the programs, activities, and management initiatives highlighted above.



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# SUMMARY OF FUNDS

(\$ in thousands)

Appropriations	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Administration of Foreign Affairs</b>	<b>7,984,648</b>	<b>6,363,058</b>	<b>7,317,096</b>
State Programs	5,818,884	4,561,170	5,013,443
Diplomatic & Consular Programs	5,692,259	4,460,084	4,942,700
Ongoing Operations (1)(2)(3)	4,961,443	3,664,914	3,977,940
Worldwide Security Upgrades (4)	730,816	795,170	964,760
Capital Investment Fund	58,143	34,319	70,743
Centralized IT Modernization Program	68,482	66,767	0
Embassy Security, Construction & Maintenance	1,489,726	1,182,585	1,599,434
Ongoing Operations	591,152	605,652	792,534
Worldwide Security Upgrades	898,574	576,933	806,900
Capital Security Construction	799,852	478,211	692,178
Compound Security	98,722	98,722	114,722
Office of Inspector General (5)	30,945	29,645	32,508
Educational & Cultural Exchange Programs (6)	431,275	425,162	486,400
Representation Allowances	8,175	8,175	8,175
Protection of Foreign Missions & Officials	9,270	9,270	18,000
Emergencies in the Diplomatic & Consular Service (7)(8)	43,872	4,940	19,000
Repatriation Loans Program Account	1,302	1,285	1,285
Payment to the American Institute in Taiwan	19,499	15,826	16,351
Foreign Service Retirement & Disability Fund (mandatory)	131,700	125,000	122,500
<b>International Organizations</b>	<b>2,303,392</b>	<b>2,144,792</b>	<b>2,461,400</b>
Contributions to International Organizations	1,151,317	1,122,318	1,354,400
Contributions for International Peacekeeping Activities (9)	1,152,075	1,022,474	1,107,000
<b>International Commissions</b>	<b>66,478</b>	<b>64,511</b>	<b>133,550</b>
International Boundary & Water Commission - S&E	27,642	27,642	30,430
International Boundary & Water Commission - Construction	5,232	6,631	71,725
International Fisheries Commissions	23,693	20,651	21,000
American Sections	9,911	9,587	10,395
Border Environment Cooperation Commission	2,083	2,175	2,100
International Joint Commission	6,417	6,127	6,765
International Boundary Commission	1,411	1,285	1,530
<b>Related Appropriations</b>	<b>113,397</b>	<b>73,361</b>	<b>101,750</b>
The Asia Foundation	13,821	13,821	10,000
National Endowment for Democracy	74,042	50,000	80,000
East-West Center	18,994	3,000	10,000
Center for Middle Eastern-Western Dialogue - Trust Fund	4,936	4,936	0
Center for Middle Eastern-Western Dialogue - Program	740	740	875
Eisenhower Exchange Fellowship Program	494	494	500
Israeli Arab Scholarship Program	370	370	375
<b>Total, State Department Appropriations Act</b>	<b>10,467,915</b>	<b>8,645,722</b>	<b>10,013,796</b>
Migration & Refugee Assistance (10)	858,790	750,206	773,500
U.S. Emergency Refugee & Migration Assistance	29,700	30,000	55,000
<b>Other State Department Authorization Act</b>	<b>11,356,405</b>	<b>9,425,928</b>	<b>10,842,296</b>

## SUMMARY OF FUNDS

### Summary Table Footnotes:

All FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

All FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

(1) FY 2006 Actual includes \$16 million provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B) and reflects the transfer of \$1.1 million to the Peace Corps.

(2) FY 2006 Actual also includes \$1,333.525 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234), of which \$1,328.275 million is for Iraq Operations, and reflects the transfer of \$1.0 million to the United States Institute of Peace for activities related to Iraq. Supplementals section of this volume includes requests for additional FY 2007 and FY 2008 funding for Iraq Operations.

(3) FY 2006 Actual also reflects the transfer of \$19.0 million to the Emergencies in the Diplomatic and Consular Service appropriation.

(4) FY 2006 Actual includes \$50.1 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234).

(5) FY 2006 Actual includes \$25.3 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234) and reflects the transfer of \$24.0 million to the Special Inspector General for Iraq Reconstruction.

(6) FY 2006 Actual includes \$5.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234).

(7) FY 2006 Actual includes \$15.0 million provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

(8) FY 2006 Actual also includes \$19.0 million transferred from the Diplomatic and Consular Programs appropriation.

(9) FY 2006 Actual includes \$129.8 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234).

(10) FY 2006 Actual includes \$75.7 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234).

## SUPPLEMENTAL APPROPRIATIONS

***Emergency Supplemental Appropriations Act to Address  
Hurricanes in the Gulf of Mexico and  
Pandemic Influenza, 2006  
(P.L. 109-148, Division B)***  
(\$ in thousands)

Appropriations	FY 2006 Actual
<b>Administration of Foreign Affairs</b>	<b>29,900</b>
Diplomatic & Consular Programs – Ongoing Operations (1)	14,900
Emergencies in the Diplomatic & Consular Service	15,000
<b>Total, Department of State</b>	<b>29,900</b>

(1) FY 2006 Actual reflects \$1.1 million transferred to the Peace Corps.

***Emergency Supplemental Appropriations Act for  
Defense, the Global War on Terror, and  
Hurricane Recovery, 2006  
(P.L. 109-234)***  
(\$ in thousands)

Appropriations	FY 2006 Actual
<b>Administration of Foreign Affairs</b>	<b>1,388,925</b>
Diplomatic & Consular Programs – Ongoing Operations (1)	1,332,525
Diplomatic & Consular Programs – Worldwide Security Upgrades	50,100
Office of Inspector General (2)	1,300
Educational & Cultural Exchange Programs	5,000
<b>International Organizations</b>	<b>129,800</b>
Contributions for International Peacekeeping Activities	129,800
<b>Total, Department of State</b>	<b>1,518,725</b>

- (1) FY 2006 Actual reflects \$1.0 million transferred to the United States Institute of Peace for activities relating to Iraq.  
 (2) FY 2006 Actual reflects \$24.0 million transferred to the Special Inspector General for Iraq Reconstruction.

## STATE PROGRAMS

Appropriations	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Administration of Foreign Affairs</b>	<b>20,016</b>	<b>20,025</b>	<b>20,369</b>
State Programs	18,462	18,463	18,777
Diplomatic & Consular Programs Ongoing Operations	17,206	17,157	17,419
Worldwide Security Upgrades	1,256	1,306	1,358
	0	0	0
Embassy Security, Construction & Maintenance	892	900	912
	0	0	0
Other Administration of Foreign Affairs	662	662	680
Office of Inspector General	318	318	318
Educational and Cultural Exchange Programs	344	344	362
	0	0	0
<b>International Commissions</b>	<b>345</b>	<b>345</b>	<b>345</b>
International Boundary & Water Commission - S&E	295	295	295
International Boundary & Water Commission - Construction	18	18	18
American Sections	32	32	32
International Boundary Commission	8	8	8
International Joint Commission	24	24	24
	0	0	0
<b>State Appropriations Act</b>	<b>20,361</b>	<b>20,370</b>	<b>20,714</b>

# STATE PROGRAMS

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Diplomatic & Consular Programs - Ongoing Operations (1)(2)(3)	4,961,443	3,664,914	3,977,940
Worldwide Security Upgrades (4)	730,816	795,170	964,760
<b>Subtotal, Diplomatic &amp; Consular Programs</b>	<b>5,692,259</b>	<b>4,460,084</b>	<b>4,942,700</b>
Capital Investment Fund	58,143	34,319	70,743
Centralized Information Technology Modernization Program	68,482	66,767	0
<b>Subtotal, State Programs Appropriations</b>	<b>5,818,884</b>	<b>4,561,170</b>	<b>5,013,443</b>
Border Security Program/MRV Fees	772,755	747,564	861,950
Enhanced Border Security Program Fees/Visa Fraud Fee/WHTI Surcharge	169,345	401,315	443,765
IT Central Fund/Expedited Passport Fees	153,489	188,416	243,002
Other Fees	38,784	42,530	43,530
<b>Total</b>	<b>6,953,257</b>	<b>5,940,995</b>	<b>6,605,690</b>

All FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

All FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

(1) FY 2006 Actual includes \$16 million provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B) and reflects the transfer of \$1.1 million to the Peace Corps.

(2) FY 2006 Actual also includes \$1,333,525 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234), of which \$1,328,275 million is for Iraq Operations, and reflects the transfer of \$1.0 million to the United States Institute of Peace for activities related to Iraq. Supplementals section of this volume includes requests for additional FY 2007 and FY 2008 funding for Iraq Operations.

(3) FY 2006 Actual also reflects the transfer of \$19.0 million to the Emergencies in the Diplomatic and Consular Service appropriation.

(4) FY 2006 Actual includes \$50.1 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234).

## *Overview*

Charged with carrying out U.S. foreign policy in a time of extraordinary change, the Department of State projects a vigorous American presence abroad. Through a network of more than 260 posts around the world, the Department works globally to advance national security interests, U.S. development efforts, and American democratic values together.

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In addition to managing official relations with foreign governments and international organizations, the Department provides services to American citizens, supports U.S. businesses, reaches out to foreign publics through public diplomacy, and develops the extensive local contacts necessary to conduct the business of foreign affairs.

State Programs appropriations (Diplomatic and Consular Programs and the Capital Investment Fund) address the full range of operating requirements to fulfill the Department's mandates. These appropriations – together with Machine Readable Visa, Expedited Passport, Enhanced Border Security Program, Western Hemisphere Travel Surcharge, visa fraud, and other fees – fund the people, platform, and programs necessary to advance U.S. national interests and achieve the objectives of transformational diplomacy.

### *Highlights by Account*

#### **Diplomatic and Consular Programs – Ongoing Operations**

The FY 2008 request of \$3,977,940,000 provides resources to strengthen transformational diplomacy and to provide for cost of living increases, domestic and overseas inflation, and other mandatory and high priority adjustments such as the operating costs for new secure embassy compounds.

#### **Worldwide Security Upgrades**

The FY 2008 request of \$964,760,000 for Worldwide Security Upgrades provides funding to continue ongoing security programs, perimeter security upgrades, and a High Threat Protection program, as well as to increase the number of special agents and other security personnel.

#### **Capital Investment Fund**

The FY 2008 request of \$70,743,000 for the Capital Investment Fund sustains the Department's program of investment in information technology. The FY 2008 Information Technology (IT) Central Fund, which includes the Capital Investment Fund combined with \$243,002,000 in estimated Expedited Passport Fees, will provide a total of \$313,745,000 to support the Department's centralized information technology and communications systems initiatives.

#### **Border Security Program**

The FY 2008 request for the Border Security Program is \$1,305,715,000. This program is funded by Machine Readable Visa (MRV), Western Hemisphere Travel Surcharge, Enhanced Border Security Program, and Fraud Prevention fees.

#### **Other Fees**

Diversity Lottery, Fingerprint Fees, and Affidavit of Support Fees – The FY 2008 program includes an estimate of \$7,500,000 for the Diversity Lottery Program. Section 636 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 provides that the State Department may collect and retain a fee that ensures the Department's recovery of the cost of allocating and processing applications for visas to be issued under the Diversity Lottery Program. The fee is imposed on successful applicants for the Diversity Lottery Program to ensure that the costs of administering the lottery and allocating diversity visas are recovered from actual users. These fee collections are available to provide consular services and are used to recover the cost to the State Department of the Diversity Lottery Program. In addition, the FY 2008

## STATE PROGRAMS

program includes an estimate of \$1,500,000 for the FBI Immigrant Visa Fingerprint Fee program. The request also includes \$21,200,000 for the Affidavit of Support (AOS) Program, which is funded by fee collections from persons submitting AOS documentation.

Defense Trade Control Fees – The FY 2008 program includes an estimate of \$7,310,000 for Defense Trade Control Registration Fees in accordance with Section 45 of the State Department Basic Authorities Act of 1956, as amended. These fees are available without fiscal year limitation to pay expenses incurred for specified defense trade control license application processing and other functions.

Commercial Services Fees – The FY 2008 program includes an estimate of \$20,000 for fees charged for the cost of providing commercial services at posts abroad in countries where the Department of Commerce does not perform commercial services for which it collects fees. Pursuant to section 52 of the State Department Basic Authorities Act of 1956, as amended, these fee collections are available until September 30 following the fiscal year in which the funds were deposited.

United States Information and Educational Exchange Fees – As authorized by section 810 of the United States Information and Educational Exchange Act, authority is requested to have not more than \$6,000,000 credited to the Diplomatic and Consular Programs appropriation from fees and other payments received from English teaching, library, motion pictures, and publications programs, and from fees from educational advising and counseling and exchange visitor programs.

An accounting of the collections received by the Department of State is provided in the Appendix.

### *Highlights by Activity*

**Policy Formulation and Executive Direction (\$409,738,000 from direct appropriations)** – Direction, policy formulation, and coordination are provided by the Secretary, the Deputy Secretary, the Under Secretaries, Assistant Secretaries and other bureau heads, chiefs of diplomatic missions, and their immediate staffs. They are assisted by legislative affairs and public affairs staffs who explain to the Congress and the American public the U.S. position on foreign policy issues and interests managed by the Department.

**Diplomatic Relations (\$798,921,000 including \$790,812,000 from direct appropriations, \$779,000 from Machine Readable Visa Fees, \$7,310,000 from Defense Trade Control Registration Fees, and \$20,000 from Commercial Services Fees)** – The conduct of diplomatic relations involves a wide spectrum of activities including:

- Providing political and economic reporting and analysis.
- Managing U.S. participation in arms control, non-proliferation, disarmament negotiations, and other verification and compliance activities.
- Conducting international economic and trade diplomacy and in-country services to American businesses through incentives such as the North American Free Trade Agreement (NAFTA), the World Trade Organization, and Asia Pacific Economic Cooperation (APEC).
- Promoting human rights internationally, supporting emerging democracies and economic development, improving the global environment, and meeting humanitarian emergencies that destroy political and economic well-being and stability are vital to America's long-term interest.
- Aiding two-way exchanges of information and expert personnel in order to keep abreast of scientific and technological developments abroad.



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**Public Diplomacy (\$364,905,000 including \$358,905,000 from direct appropriations and \$6,000,000 from U.S.I.E.E. fees)** – Public diplomacy activities of the U.S. Government (USG) are intended to engage, inform, and influence foreign publics and broaden dialogue between American citizens and institutions and their counterparts abroad. In addition to advocating U.S. policies, public diplomacy communicates the principles that underpin those policies and creates a sense of common interests and values. Public diplomacy information and cultural programs are carried out by overseas missions and supported by personnel in the Department's regional and functional bureaus, particularly the Bureau of International Information Programs. Educational and cultural exchange programs (funded from a separate appropriation) are closely aligned with Public Diplomacy and its strategic objectives. In FY 2000, certain public diplomacy activities formerly carried out by the United States Information Agency were fully integrated into the Department of State pursuant to the Foreign Affairs Reform and Restructuring Act of 1998. Public Diplomacy, within the Department of State, continues to operate under the authority of the Smith-Mundt Act of 1948, as amended, the Fulbright-Hays Act of 1961, as amended, and other statutes.

**Consular Relations (\$1,334,450,000 including \$59,558,000 from direct appropriations, \$800,927,000 from MRV fees, \$281,765,000 from Enhanced Border Security Program Fees, \$130,200,000 from the Western Hemisphere Travel Surcharge, \$31,800,000 from Visa Fraud Fees, \$7,500,000 from Diversity Lottery Fees, \$1,500,000 from FBI Fingerprint Fees, and \$21,200,000 from the Affidavit of Support Fee)** – The events of September 11 demonstrated the national security need to have a robust and sophisticated system to process persons seeking visas to travel to the United States. Enhanced homeland security measures have caused major increases in the cost of providing consular services and this requirement continues to place a heavy burden on Department of State operations. To help ensure U.S. homeland security, the Department must:

- Conduct a thorough screening of all non-immigrant visa applicants. Non-immigrant visa requests from foreign tourists, students, business people, investors, and government officials undergo a rigorous adjudication process at missions abroad. In FY 2006, over 7.7 million persons applied for non-immigrant visas. The State Department expects that demand for non-immigrant visa services will grow to 8.1 million in FY 2007 and 8.6 million in FY 2008.
- Perform a comprehensive screening of all immigrant visa applicants. Immigrant visa requests undergo a rigorous adjudication process by Consular Officials overseas. In FY 2006, about 744,000 applied for immigrant visas. This workload is expected to remain at the same level in FY 2007 and FY 2008.
- Provide routine and emergency assistance to American citizens in distress. In FY 2007 and FY 2008, the Department projects that it will respond to 2 million citizen services requests worldwide each year.
- Keep American travelers and the U.S. travel industry aware of dangerous situations abroad through Consular Information Sheets, Travel Warnings, and helpful tips to travelers through the Consular Affairs World Wide Web Site available at the Internet Web address: <http://travel.state.gov>.
- Adjudicate passport applications and either issue or deny passports for U.S. citizens intending to travel abroad. In FY 2006, passport demand was over 12.3 million applications, with workload expected to grow to 16.2 million applications in FY 2007 and at least 19.5 million in FY 2008.

The worldwide Border Security Program supports all areas of the President's Management Agenda through programs within Consular Relations, Diplomatic Security/Law Enforcement Cooperation, Information Resource Management, and Training. These cross-cutting programs are required to secure the U.S. borders against terrorists, international criminals, or persons whose presence in the United States would violate U.S. immigration law. Border Security plans include continuing to enhance and refresh the equipment and systems that support worldwide consular activities. Plans also include modernizing the hardware and software systems that support visa name checks, operating the Border Crossing Card program in Mexico, implementing biometric collection from visa applicants, strengthening cooperation between the consular and U.S. law enforcement and intelligence communities, enhancing American Citizen Services, and providing for the staff and operating costs of the Border Security Program. The Border Security Program

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relies on dedicated funding from increased MRV fees and, increasingly, on the Enhanced Border Security Fees and other surcharges.

**Supporting Multilateral Diplomacy (\$51,025,000 from direct appropriations)** – The United States participates in international organizations because the United States has an interest in working with other nations to maintain stability, uphold laws, facilitate commerce, spur economic growth, maintain a healthy environment, address urgent humanitarian needs, and halt the spread of weapons of mass destruction. Organizations in which the Department plays a leading role include the United Nations, regional bodies such as NATO and the Organization of American States, and a variety of more specialized and technical organizations. The Department monitors and participates in these organizations through both its headquarters staff and its missions to the larger organizations. The increasingly complex nature of world problems makes U.S. involvement in these multilateral organizations even more important to our future. This includes funding for State Department participation in international conferences.

**Diplomatic Security/Counter-Terrorism/Worldwide Security Upgrades (\$1,251,769,000 including \$1,222,268,000 from direct appropriations and \$29,501,000 from MRV fees)** – These activities provide resources, allocated by application of risk management principles, necessary to meet security responsibilities, both foreign and domestic. Included in these activities are:

- Protection of overseas U.S. government employees through local guards, technical security measures, residential security measures, and armored vehicles;
- Protection of the Secretary and visiting or resident foreign dignitaries;
- Counter-terrorism policy formulation, coordination, and research and development as well as investigations to detect passport, visa, and federal benefits fraud;
- Management of security operations at missions;
- Protection of information at headquarters through domestic guards and physical security equipment and measures;
- Protection of information abroad through diplomatic couriers, electronic and security equipment, secure conference rooms, development and application of standards for information security, and security protection and inspection of construction property; and
- Counterintelligence investigations, background security investigations, and evaluations.

The State Department is the lead agency in USG efforts to reduce the terrorist threat to Americans overseas. The Department works closely with other governments to strengthen international counterterrorism cooperation, sends expert teams to augment U.S. embassies in crisis situations, and works to eliminate physical security vulnerabilities at our diplomatic missions.

**Information Resource Management (\$848,185,000 including \$509,311,000 from Diplomatic and Consular Programs, \$70,743,000 from the Capital Investment Fund, \$25,129,000 from MRV fees, and \$243,002,000 from Expedited Passport Fees)** – This program provides the resources for the effective and efficient creation, collection, processing, transmission, dissemination, storage, and disposition of information required for the formulation and execution of foreign policy and for the conduct of daily business including consular services. The information needs of the President, the Secretary of State, the Department, its overseas missions, and approximately 100 other government organizations drive the resource requirements. This activity includes:

- Corporate information systems and services such as core foreign affairs systems supporting the Secretary and principal officers; consular systems for passport and visa issuance and reporting; financial systems; administrative systems for personnel and property; and information services provided by Departmental libraries and publishing, records, Freedom of Information Act, and historical offices;
- Infrastructure systems such as the Diplomatic Telecommunications System; mainframe computer centers; Automated Data Processing, communication and message centers at headquarters and at

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missions abroad; mail and pouch services; and special communications support for the Secretary and the White House at meetings abroad; and

- Development and maintenance of software and hardware for classified and unclassified word processing, electronic mail, spreadsheets, graphics, and data base management.

**Training Services (\$138,713,000 including \$133,099,000 from direct appropriations and \$5,614,000 from MRV fees)** – Investments in training are vital to a changing and streamlining organization. Training programs provide the language, area, information technology, consular, and other professional skills needed for the conduct of foreign relations. The Department's training program is the principal responsibility of the Foreign Service Institute, which has an innovative training strategy designed to support directly new and emerging policy and management priorities.

**Medical Services (\$29,087,000 from direct appropriations)** – The Medical Program promotes the health of all under its care by encouraging prevention of illness and facilitating access to health care. This activity encompasses medical programs for the Department of State and the Foreign Service as well as other USG departments and agencies overseas. Approximately 31,000 employees and their eligible family members receive medical care at about 190 overseas health units overseas and in Washington, DC.

**Rental Payments to GSA (\$159,827,000 from direct appropriations)** – GSA finances its real property management activities through user charges, set at commercially comparable rates, collected from agencies occupying GSA-controlled properties. This funding provides payment for domestic space occupied by the Department.

**Overseas Program Support (\$634,874,000 from direct appropriations)** – This activity includes administrative activities at more than 260 posts abroad, such as overseas administrative support for over 100 USG organizations; personnel and financial management services; and short-term lease property management and building maintenance staff, shipping and customs clearance, and motor pool services.

**Domestic Infrastructure and Program Support (\$450,678,000 from direct appropriations)** – This activity includes the infrastructure located in the United States that is dedicated to the administrative support of U.S. diplomatic activities and other USG agencies overseas, such as domestic personnel and financial management services, domestic building operations and routine maintenance, acquisition services, and other general administrative services.

**Post Assignment Travel (\$133,418,000 from direct appropriations)** – Post Assignment Travel funds the cost of travel, transportation, and related items in connection with the appointment, transfer, and separation of the Department's American full-time permanent staff and their families. The Department's general tour of duty policy (with some exceptions) is three years at most overseas posts, and two years at posts with extreme hardship conditions.

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### *Funds* *Resource Summary* (\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Policy Formulation	348,229	363,084	409,738
Conduct of Diplomatic Relations	699,596	722,261	798,921
Public Diplomacy	340,734	335,734	364,905
Conduct of Consular Relations	979,435	1,172,402	1,334,450
Multilateral Diplomacy	48,286	48,474	51,025
Diplomatic Security/Counterterrorism /Worldwide Security Upgrades	1,005,160	1,065,550	1,251,769
Information Resource Management	780,222	794,950	848,185
Training Services	113,038	114,415	138,713
Medical Services	26,473	27,366	29,087
Rental Payments to GSA	138,668	154,891	159,827
Overseas Program Support	578,483	576,664	634,974
Domestic Infrastructure and Program Support	437,126	435,374	450,678
Post Assignment Travel	130,532	129,830	133,418
Supplemental: Iraq Operations	1,327,275	0	0
<b>Total</b>	<b>6,953,257</b>	<b>5,940,995</b>	<b>6,605,690</b>

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### *Positions Resource Summary*

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Policy Formulation	2,053	2,068	2,092
Conduct of Diplomatic Relations	3,944	4,009	4,143
Public Diplomacy	2,671	2,672	2,672
Conduct of Consular Relations	3,935	3,941	4,063
Multilateral Diplomacy	309	297	297
Diplomatic Security/Law Enforcement Cooperation/Worldwide Security Upgrades	2,847	2,953	3,005
Information Resource Management	2,003	1,991	1,991
Training Services	602	602	706
Medical Services	75	75	75
Overseas Program Support	1,068	1,107	1,107
Domestic Infrastructure and Program Support	1,998	1,974	1,974
<b>Total</b>	<b>21,505</b>	<b>21,689</b>	<b>22,125</b>

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## *Highlights of Budget Changes*

(\$ in thousands)

	Diplomatic and Consular Programs	Worldwide Security Upgrades	Capital Investment Fund	Total
<b>FY 2006 Actual (1)(2)(3)(4)(5)</b>	<b>4,961,443</b>	<b>730,816</b>	<b>126,625</b>	<b>5,818,884</b>
<b>FY 2007 Current Estimate (6)</b>	<b>3,664,914</b>	<b>795,170</b>	<b>101,086</b>	<b>4,561,170</b>
<b>Current Services</b>				
<b>Base Adjustments</b>	<b>33,104</b>	<b>45,971</b>	<b>(30,343)</b>	<b>48,732</b>
Iraq Operating Base	65,000	0	0	65,000
Base Adjustment	(31,896)	45,971	(30,343)	(16,268)
<b>Annualization of FY 2007 Requirements</b>	<b>31,701</b>	<b>2,204</b>	<b>0</b>	<b>33,905</b>
Annualization of 2007 Cost of Living Adjustment, Hiring, Benefits	19,684	1,339	0	21,023
FY 2008 Two Additional Work Days	12,017	865	0	12,882
<b>Anticipated FY 2008 Wage Requirements</b>	<b>59,465</b>	<b>4,827</b>	<b>0</b>	<b>64,292</b>
FY 2008 American Cost of Living Adjustment	33,637	4,827	0	38,464
Foreign Service National Wage Increases	25,828	0	0	25,828
<b>Anticipated FY 2008 Price Requirements</b>	<b>36,627</b>	<b>38,544</b>	<b>0</b>	<b>75,171</b>
Overseas Inflation	17,024	0	0	17,024
Local Guard Program and Other Global Inflation	0	34,766	0	34,766
Domestic Price	12,105	2,121	0	14,226
GSA Rent	4,531	0	0	4,531
Domestic Guard Program Inflation	1,710	1,657	0	3,367
Medical Inflation	459	0	0	459
Workers Compensation	798	0	0	798
<b>Total, Built-In Changes</b>	<b>160,897</b>	<b>91,546</b>	<b>(30,343)</b>	<b>222,100</b>
<b>Program Changes</b>				
<b>Transformational Diplomacy</b>	<b>123,684</b>	<b>1,144</b>	<b>0</b>	<b>124,828</b>
Training Enhancement	20,821	0	0	20,821
Reconstruction and Stabilization	14,586	0	0	14,586
Repositioning Global Presence	39,893	0	0	39,893
Foreign Service Modernization	33,384	1,144	0	34,528
Public Diplomacy	15,000	0	0	15,000
<b>Security</b>	<b>19,645</b>	<b>76,900</b>	<b>0</b>	<b>96,545</b>
Protection of Personnel and Facilities	0	53,400	0	53,400
Soft Target Strategy Including Training	0	23,500	0	23,500
Secure Facilities Operations	19,645	0	0	19,645
<b>Intelligence and Research</b>	<b>6,300</b>	<b>0</b>	<b>0</b>	<b>6,300</b>

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	Diplomatic and Consular Programs	Worldwide Security Upgrades	Capital Investment Fund	Total
<b>Olympic Games Support in China</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>2,500</b>
<b>Total, Program Changes</b>	<b>152,129</b>	<b>78,044</b>	<b>0</b>	<b>230,173</b>
<b>FY 2008 Request</b>	<b>3,977,940</b>	<b>964,760</b>	<b>70,743</b>	<b>5,013,443</b>

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### ***Explanation of Current Estimate***

The FY 2007 estimate for State Programs appropriations of \$4,561,171,000 consists of the following amounts:

- \$3,664,914,000 estimated for Diplomatic and Consular Programs (D&CP) Ongoing Operations.
- \$795,170,000 estimated for Worldwide Security Upgrades (WSU).
- \$34,319,000 estimated for the Capital Investment Fund and \$66,768,000 estimated for the Centralized Information Technology Modernization Program.

### ***Explanation of FY 2008 Base Adjustments and Built-In Changes***

The net increase for FY 2008 base adjustments and built-in changes is \$222,099,000. This amount provides for the base adjustments detailed below, the anticipated 2.2 percent American pay increase, and overall FSN wage increases of 3.9 percent consistent with anticipated rates of overseas consumer price inflation, as well as a 1.04 percent increase for domestic inflation and an overall average 3.8 percent increase for overseas non-wage inflation. The details are as follows:

#### **Base Adjustments and Annualization of FY 2007 Requirements: \$82,636,000**

This amount reflects the full-year cost of the following:

- Iraq Base Operations: \$65,000,000. This funding will establish a funding base for FY 2008 within the regular Diplomatic and Consular Programs appropriation for core embassy functions within the U.S. Mission, Baghdad. The Supplementals section of this volume includes requests for additional FY 2007 and FY 2008 funding for Iraq Operations.
- Base Adjustments: -\$16,269,000. This amount represents the net of the following adjustments. -\$31,896,000 to adjust Diplomatic and Consular Programs to FY 2006 operational level; \$45,971,000 to adjust Worldwide Security Upgrades for FY 2006 operational level including use of one-time supplemental sources; and -\$30,344,000 to adjust the funding sources for the Information Technology Central Fund including a decrease in requested direct appropriations offset by an increase in the request for Expedited Passport Fee spending authority.
- FY 2007 American Cost-of-Living Adjustment, Hiring, and Benefits: \$21,023,000 (\$19,684,000 for D&CP and \$1,339,000 for WSU). Additional funding is required to annualize the FY 2008 cost of the 2007 American Pay Raise and the annualization of the Department's cost of benefits increases during 2007.
- FY 2008 Two Additional Work Days: \$12,882,000 (\$12,017,000 for D&CP and \$865,000 for WSU). Additional funding is required for two additional work days in FY 2008.

#### **Anticipated FY 2008 Wage Requirements: \$64,292,000**

This amount is required for the following anticipated wage increases during FY 2008:

- American Cost-of-Living Adjustment: \$38,464,000 (\$33,637,000 for D&CP and \$4,827,000 for WSU). This amount reflects the anticipated 2.2 percent general American cost-of-living increase in FY 2008.



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- FSN Wage Increases: \$25,828,000. This increase includes FSN salary adjustments consistent with local prevailing wage rates, needed to keep the Department competitive with other foreign countries' embassies and private firms in order to retain competent staff and to comply with local law, as required.

### **Anticipated 2008 Price Requirements: \$75,171,000**

This amount is required for the following anticipated price increases during FY 2008:

- Overseas Price: \$17,024,000 (D&CP). This amount will fund an estimated average 3.8 percent increase in overseas utilities, supplies, and contractual services. The rates of overseas inflation are generally higher than experienced in the United States. Overseas posts purchase a relatively large proportion of items and services on the local economies which trend toward greater price increases for items such as utilities, communications, security, and information services and equipment.
- Local Guard Program and Other Global Inflation: \$34,766,000 (WSU). This amount represents the overseas wage and price increases including those required to maintain the Department's contracts for local guard services at overseas posts.
- Domestic Price: \$14,226,000 (\$12,105,000 for D&CP and \$2,121,000 for WSU). This amount will fund an estimated 1.02 percent increase in domestic inflation for items such as:
  - GPO and other printing services;
  - Travel and per diem costs;
  - Transportation of equipment and other items;
  - Rents, communications, and utilities;
  - Leasing, service, and maintenance costs primarily in the Department's information management programs;
  - Payments for transit subsidy;
  - Supplies and materials; and
  - Equipment purchases.
- GSA Rental Payment: \$4,531,000. This increase results from estimated increases in rental rates for buildings occupied by the Department.
- Domestic Guard Inflation: \$3,367,000 (\$1,710,000 for D&CP and \$1,657,000 for WSU). This amount will fund the estimated increase required for domestic guard services.
- Medical Inflation: \$459,000. This amount represents the price increase required for medical supplies and services worldwide.
- Workers Compensation: \$798,000. Funding is required to support the increase in the Department's bill from the Department of Labor for Worker's Compensation payment.

### ***FY 2008 Program Increases***

#### **Transformational Diplomacy – 254 Positions and \$124,828,000**

##### **Training Enhancement: 104 positions and \$20,821,000**

To meet the challenges of transformational diplomacy, the workforce of the Department of State must be diverse, well-rounded, agile, and able to carry out multiple tasks. Transformational diplomacy requires having the right people with the right skills in the right place at the right time. Even more than in the past, this means often putting State personnel in more dangerous and less developed locations, affecting employees and their families personally and professionally. The Department will expand and improve

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training and career development programs to prepare employees better and develop their expertise under the following multi-faceted training enhancement program:

- Language proficiency – the cornerstone to success: Increased proficiency and levels of proficiency, particularly in critical need languages; language proficiency within the Specialist corps to meet vital mission requirements (48 positions).
- Comprehensive professional skills continuum: In-house training as well as interagency experience to ensure that employees are fully prepared for various global contingencies (46 positions).

Key program components include:

- Training personnel for new mission requirements using the new Career Development Program e.g., regional expertise in two areas, assignments outside of functional specialty, and enhanced language proficiency throughout career.
- Interagency Executive Seminars: Continuing series of interagency executive seminars for the whole security community to support interagency cooperation and coordination.
- Expanding cooperation and cross-assignments with the Department of Defense and USAID.
- Civil Service professional development: Expanded opportunities for professional development through assignments abroad, on-going training, and rotational assignments (10 positions).

Of particular importance is the need to increase the number of fully language-capable officers. State personnel must have the language skills to actively engage and persuade skeptical foreign audiences, interact successfully with sometimes hostile foreign media, and elicit, firsthand, sensitive information from foreign contacts in the government, private sector and other interlocutors. Personal interaction is the cornerstone of the transformational diplomacy initiative and is vital in places where America faces the greatest challenges and dangers.

### **Reconstruction and Stabilization: 57 positions and \$14,586,000**

The Office of the Coordinator for Reconstruction and Stabilization (S/CRS) has a mandate to lead, coordinate, and institutionalize USG civilian capacity to prevent or prepare for post-conflict situations, and to help stabilize and reconstruct societies in transition from conflict or civil strife. S/CRS coordinates interagency capacity and interoperability for Washington management of post-conflict operations. S/CRS's core mission is in those efforts that require engagement of all components of the USG.

S/CRS initiates deployment of people to reconstruction and stabilization efforts through preexisting arrangements with partner agencies, internal surge capacity and reserve structures. When needed, teams would begin immediately to: plan at the relevant Regional Combatant Command, deploy with military in integrated interagency embedded teams, lead initial assessments in the field, provide Embassy support (or form the core of new mission HQ), and manage surge from State and other agencies and the private sector.

An increase of 57 positions will enable S/CRS to lead interagency efforts in international crises and conflicts in situations requiring the response of multiple USG agencies, thus enhancing the Department's capability for deploying civilian field teams to targeted countries, reach-back support to these deployed personnel, and providing sectoral expertise in conflict transformation capabilities associated with reconstruction and stabilization efforts. These positions will allow us to expand our existing Active Response Corps, a key component of a civilian mobilization mechanism for rapid, efficient, and successful

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response to crises and conflict situations. When deployed, mobilized officers could perform the following tasks: augment or establish Embassy operations; assess the spectrum of political, security, humanitarian, and reconstruction needs; lead integrated interagency civilian field teams during a stabilization and reconstruction operation with or without support from military forces (when security permits); develop relations with transitional governments and other political actors; coordinate with the U.S. military; liaise with international organizations and NGOs on the ground, and advise on, assess, and initiate interagency R&S programs.

### **Repositioning America's Global Diplomatic Presence: 93 positions and \$39,893,000**

The Department has a long-term, comprehensive blueprint for more robust and proactive engagement of a truly global nature. The workload continues to expand as American diplomats are confronted with an ever-increasing host of international problems that affect America's security and domestic welfare, from financial crises to global environmental challenges, AIDS, terrorism, human trafficking, and the spread of weapons of mass destruction. These foreign policy problems and opportunities are also national security challenges, and America's representatives must be fully prepared to meet them. The Department has begun a phased repositioning of existing resources to shift its diplomatic posture to transition states and other countries key to the objectives of transformational diplomacy, but this internal redistribution addresses only a portion of the staffing requirements. In order to meet foreign policy priorities and objectives, achieve the Department's strategic goals, and fully support the U.S. Government presence overseas, 73 new positions are needed in FY 2008 to meet workload increases documented in the Department's Overseas Staffing Model and in response to staffing requirements in Iraq.

In addition, 20 new positions are needed for the deployment of Foreign Service Officers outside of capital cities and traditional diplomatic locations. To better meet and respond to the challenges associated with Transformational Diplomacy, the United States must be represented in more places, and more creatively, to demonstrate a commitment to partnership. There are nearly 200 cities worldwide with populations over one million in which the United States has no formal diplomatic presence. These cities are provincial centers, trade centers, and opinion centers. The Department plans to expand America's diplomatic presence to more of these cities by establishing new American Presence Posts (APP) in key nations.

APPs are streamlined, special purpose diplomatic posts that give the USG additional flexibility in pursuing national interests. These posts are normally staffed by one or two Foreign Service Officers who live and work outside the capital, in key regional population centers. The officers, supported by a few Foreign Service Nationals, engage in public diplomacy, outreach, and the promotion of American commercial and strategic interests. These officers build and maintain close contact with local government officials, media, opinion leaders, U.S. businesses, and the resident American community. This requested funding will support twenty new American positions, start-up, and operating costs for additional APPs. Additional funding has been requested in the Worldwide Security Upgrades and Embassy Security, Construction, and Maintenance accounts to fund the security and leasehold and fit-out costs respectively.

### **Foreign Service Modernization: \$34,528,000**

The requested funding of \$34,528,000 (\$33,384,000 in Diplomatic and Consular Programs and \$1,114,000 in Worldwide Security Upgrades) supports the first step of transition to a performance-based pay system and global rate of pay for Foreign Service personnel grade FS-01 and below. The Foreign Service Modernization legislative pending proposal would amend Section 406 of the Foreign Service Act (22 U.S.C. 3966) to eliminate longevity-based pay increases and institute a strictly pay-for-performance system similar to that instituted for the Senior Foreign Service in P.L. 108-447. The proposal would establish a global rate of pay for the Foreign Service to attract and retain a labor market for worldwide-available personnel, based on the needs of the Service, consistent with other pay systems with similar worldwide

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availability requirements. This global rate addresses the increasing pay disincentive to overseas service from the loss of locality based payments under 5 USC 5304. The Modernization proposal would equalize the Foreign Service global rate at the Washington, D.C. rate, including locality pay, over two years. The requested funding supports the first step of this transition. Additional funding will be required in FY 2009 and FY 2010 to fully close the gap, in order to begin a new pay-for-performance system effective April 2009, under a uniform global rate pay system.

### **Public Diplomacy: \$15,000,000**

As the United States strives to work with partner nations around the world to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system, outreach to foreign publics is critical. The Department has developed a strategic Public Diplomacy framework that has three key objectives: (1) to offer a positive vision of hope that is rooted in America's freedom agenda; (2) to isolate and marginalize extremists and undermine their attempts to appropriate religion; and (3) to foster a sense of common interests and values between Americans and people of different countries, cultures, and faiths.

An increase of \$15,000,000 is requested to support these three objectives through a focused effort developed by an interagency group and designed to counter violent extremism in several strategic countries. This effort emphasizes that winning the war of ideas is essential to winning the war on terror. It will utilize current effective programs as well as innovative approaches to countering ideological support for terrorism. The objectives include promoting democratization and good governance, engaging Muslim communities, undermining the idea that the West is at war with Islam, de-legitimizing terror, and isolating and discrediting terrorist leaders and organizations.

### **Security – 52 Positions and \$96,545,000**

#### **Worldwide Security Upgrades: 52 positions and \$76,900,000**

(See separate justification in Worldwide Security Upgrades section.)

#### **Secure Facilities Operations: \$19,645,000**

The Department requests \$19,645,000 to fund start-up costs and additional operational expenses associated with opening and operating new embassy compounds, offices and annexes. In FY 2008 new buildings will come on line in Khartoum, Kigali, Skopje, Mumbai, Bogota, Ciudad Juarez, Quito, Beijing, and Berlin. Larger and more technologically sophisticated than earlier constructed facilities, these new security conscience complexes require specialized furnishings and equipment for startup and routine operations, in addition to the actual moving costs incurred relocating into any new facility. Additional utility, supply and contract costs related to sophisticated fire protection, ventilation, and water treatment systems and the skilled staff to operate them, result in higher operation costs compared to the prior facilities. These funds are required for one-time costs of new maintenance equipment and for increased utility, staff, and operating costs of these new, technically advanced buildings.

### **Intelligence and Research – 8 Positions and \$6,300,000**

Additional positions and funds are requested to enhance the operations of the Bureau of Intelligence and Research. This increase will augment the bureau's analytic staff in key areas such as terrorism, China,

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and Iran, and will strengthen the bureau's Humanitarian Information Unit, enhancing its ability to produce intelligence on critical humanitarian issues such as food security, health, and migration issues. These funds will also be used to enhance management of open-source activities and improve sharing of open-source intelligence among the foreign affairs and intelligence communities, and to augment the more timely and efficient electronic dissemination of intelligence to diplomatic customers by providing electronic connectivity at the desktop. In addition, the Department will strengthen its foreign public opinion survey program, adding surveys that will focus on Sub-Saharan Africa (emerging democracies, Muslim minorities, and factors that influence opinion of the U.S.); Muslim minorities in Western Europe; global views of China; and democracy promotion in Russia, Ukraine, Kyrgyzstan, Georgia, Azerbaijan, and Kazakhstan.

### **Olympic Games Support in China – \$2,500,000**

This increase of \$2,500,000 will fund extraordinary costs associated with the 2008 Olympics Games, which will be held in Beijing, China. As with previous Olympic Games held outside the United States, the Department must ensure the safety of U.S. athletes, spectators, high level delegations, and commercial investors. In a climate of increased concerns about international terrorism, ensuring the protection of U.S. interests at future Olympic Games overseas will continue to be a priority for the United States, and the Department of State must be the lead in the coordinated efforts of the Federal Government. These costs include support staff, lodging, and office space as well as security and other general services operations required for achieving these objectives.

# WORLDWIDE SECURITY UPGRADES

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Staff	1,256	1,306	1,358
Funds	730,816	795,170	964,760

## *Overview*

The Worldwide Security Upgrades (WSU) Program provides core funding for the protection of life, property, and information of the Department of State. The Department must address threats against U.S. personnel and facilities worldwide. The 1998 attacks on the U.S. Embassies in Africa were the first targets of a new kind of terrorism. The U.S. National Security Strategy emphasizes the need for Transformational Diplomacy, actively promoting freedom and human dignity through effective democracy.

WSU funding supports a worldwide guard force protecting overseas diplomatic missions and residences and domestic facilities. Security staffing of more than 1,300 personnel are deployed worldwide to protect U.S. staff and facilities. The protection of national security information and the integrity of the Department's network of information systems are also supported through this account. The Department is also the lead federal agency in the development of a national strategy to combat visa and passport fraud.

The FY 2008 request is summarized in the following table:

(\$ in thousands)			
Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Ongoing Security Activities</b>	<b>680,716</b>	<b>795,170</b>	<b>886,716</b>
Guards - Worldwide Protection	259,930	315,784	387,359
Physical Security/Protective Equipment	82,987	87,185	89,148
Technical Support/Infrastructure	82,513	89,127	94,906
Information/Systems Security	51,880	56,039	58,915
Armored Vehicles	22,143	23,918	25,114
Personnel/Training	173,161	214,366	222,085
Radio Program	8,102	8,751	9,189
<b>Afghanistan Security Supplemental</b>	<b>50,100</b>	<b>0</b>	<b>0</b>
<b>Security Initiatives</b>	<b>0</b>	<b>0</b>	<b>78,044</b>
Soft Target Strategy	0	0	23,500
Protection of Life & Facilities	0	0	53,400
Foreign Service Modernization			1,144
<b>Total, Worldwide Security Upgrades</b>	<b>730,816</b>	<b>795,170</b>	<b>964,760</b>

## **WORLDWIDE SECURITY UPGRADES**

### **Maintaining Ongoing Security Activities: \$886,716,000**

The amount required to maintain ongoing activities is \$886,716,000, which reflects an increase of \$91,546,000. This request includes \$45,575,000 to address FY 2007 annualizations and FY 2008 anticipated wage and price increases and a \$45,971,000 base adjustment to regularize security operations that were temporarily funded through recoveries from the original embassy bombing supplemental appropriation, which will be depleted by mid-FY 2007. This funding supports ongoing core functions for the worldwide local guard program, security technology, and diplomatic couriers.

### **Soft Target Strategy: \$23,500,000**

The Department has embarked on a program of securing and reducing risk to U.S. overseas personnel through briefings and skill-based training. Over 5,000 employees, family members, and the overseas U.S. business community are briefed annually in security seminars designed to address personal protection measures and concerns. This additional funding will support increased training for personnel in critical threats posts worldwide, as well as distance learning courses for individuals residing overseas. The funding will also support expanded dissemination of threat information through increased operations of the Overseas Security Advisory Council (OSAC), and support costs for security operations at the 2008 Beijing Olympics.

The request addresses potential vulnerabilities identified in the Government Accountability Office's study, especially for the protection of Americans under Chief of Mission authority outside the mission. The major components of this request are:

- Residential security upgrades at high and critical threat posts, quick reaction forces to respond to potential threats, and cameras to monitor residences.
- Expansion of training to support Transformational Diplomacy, to include distance learning, defensive driving, firearms familiarization, and medical skills.
- U.S. security operations undertaken in conjunction with the 2008 Beijing Summer Olympics and planning for the 2010 Vancouver Winter Olympics. Security resources for these Olympics will enhance protection for U.S. athletes and disseminate threat information to American citizens and U.S. corporate sponsors participating in the Games.

### **Protection of Life and Facilities: 52 positions and \$53,400,000**

Today, U.S. diplomatic facilities face significant and increasing threats. The U.S. presence overseas requires facilities that balance the need for an effective level of security with the ability to carry out U.S. foreign policy, including promoting democracy. This effort will require a renewed commitment to secure, modernize, and rehabilitate all diplomatic posts. During the past two years, U.S. Mission personnel and facilities have been the subject of improvised explosive device attacks, suicide bombers, and commando-style terrorist assaults. In an age of coordinated attacks and instant news, command awareness and timely response are essential. The Department requires a balance of the need for a high level of security with the ability to promote democracy and U.S. foreign policy. Major components of this request are:

- Creation of a secure environment for American Presence Posts to be established worldwide in FY 2008.
- Establishment of an Armored Vehicle Lifecycle Replacement program for vehicles acquired with supplemental funding in FY 2001 and 2002. The Department has analyzed threat environments to validate the need to replace some 750 of these vehicles over the next five years.
- Regional Security Officer Support: Forty-five Special Agents and seven support personnel will increase protection for U.S. Government personnel and American citizens at diplomatic missions

## WORLDWIDE SECURITY UPGRADES

overseas. These personnel are required to respond to increased threat levels and rapidly changing terrorist tactics.

### Foreign Service Modernization: \$1,144,000

The requested funding will support transition to a global performance-based pay system for Foreign Service personnel grade FS-01 and below as described in the Transformational Diplomacy Initiative section. The Foreign Service is unique, and due to frequent rotation of assignments, the domestic pay system established by 5 USC 5304 does not address the concerns for worldwide-available Foreign Service personnel. If authorized, \$1,144,000 will be required for salaries paid from this account in addition to the Foreign Service Modernization funding requested under State Programs.

### *Strategic Context*

Major Strategic Goal	\$ in Thousands	Performance Goals	\$ in Thousands	Initiatives/Programs
Strengthen Diplomatic and Program Capabilities	\$836,146	Diplomatic Security	\$716,428	Worldwide Protection
			\$33,999	Cyber and Sensitive Information Security
			\$8,694	Personnel Clearances
			\$12,189	Training and Competence
			\$64,836	Technology and Infrastructure Support
Achieve Peace and Security	\$128,614	Homeland Security	12,550	Visa and Passport Fraud Investigations and Rewards for Justice Program
		Regional Stability	\$88,564	Afghanistan, Support for Conflict Resolution and Reconstruction
		American Citizens Protection	\$27,500	Soft Targets, International Events

### *Program Description*

The WSU Program supports the Department's performance goals for diplomatic security, regional stability, assistance to American citizens conducting business and living overseas, and Homeland Security. Key initiatives and programs are described below:

#### **Performance Goal: Diplomatic Security**

**Worldwide Protection, including Facilities and Physical Security Measures:** The FY 2008 request represents a full re-evaluation of requirements for the protection of life and facilities and of personnel support, including the protection of 260 overseas and 100 domestic facilities and over 50,000 persons under Chief of Mission authority. Major improvements considered in this request include:

- Strengthening the Regional Security Officer program worldwide;
- Increased local guard presence at embassies and residences worldwide and lifecycle improvements of mission safe-haven facilities;



## WORLDWIDE SECURITY UPGRADES

- Lifecycle replacement programs for many categories of physical facility measures and equipment, including vehicle barriers, agent bulletproof vests, and local guard force equipment;
- Expanded use of key technologies, such as the expanded implementation of alarms, security cameras, and lock-and-leave facilities worldwide;
- Increased travel and resources for emergency support to fortify missions temporarily in emergencies;
- Protection of new missions, such as new American Presence Posts; and
- Strengthening Diplomatic Security (DS) Command Center operations to ensure optimal 24/7 support to posts worldwide.

**Cyber Security and Sensitive Information Security:** The Department is responsible for safeguarding national security information, including the integrity of the Department's worldwide network of information systems. With the rise of malicious cyber activity attempting to gather intelligence and launch attacks, the Department must be prepared to defend against the thousands of probes and scans launched against sensitive networks. The information security program coordinates cross-cutting national requirements for the implementation of emergency preparedness response and infrastructure protection measures. The FY 2008 request includes resources to address increases in cyber security threats and to fortify the Regional Computer Security Officer program to strengthen controls over information security at posts.

**Personnel Clearances:** The number of security clearance investigations performed by the Department has increased in recent years, and comparable growth is expected into FY 2008 and beyond. Consistent with the Intelligence Reform and Terrorism Prevention Act, the Department is required to reduce the time necessary to perform overseas investigations on behalf of all federal agencies.

**Training and Competence:** The FY 2008 request includes funds for specialized training for DS Special Agents on safety equipment and the operation of new intrusion detection systems. Training will also be provided to all U.S. personnel overseas on security threats and techniques used by terrorists and defenses against them.

**Technology and Infrastructure Support:** The FY 2008 request includes funding to make effective use of technologies in protection efforts. Examples are the Security Management System enterprise (SMSe) and Blue Force Tracker. SMSe is a worldwide network designed to link cameras, alarms, and access control systems at posts to allow real-time monitoring from the DS Command Center. Blue Force Tracker provides identification, location, and tracking information of users in theater.

## WORLDWIDE SECURITY UPGRADES

Initiative/ Program	Diplomatic Security	
Description	Worldwide protection of life and property at Department of State domestic and overseas facilities	
Indicator	Worldwide protection of life and property at Department of State domestic and overseas facilities	
Targets	FY 2008	<ul style="list-style-type: none"> <li>• Implement phase 1 of new standards for worldwide protection, including guard coverage, strengthened soft target support, lifecycle replacement of physical facility equipment, and technical requirements.</li> <li>• Support Administration initiatives, such as the protection of special envoys in high conflict areas, such as the Middle East.</li> <li>• Cover volume increases in the protection of information, including cyber security and security clearances.</li> <li>• Strengthen training programs and implement refresher/new threats training.</li> </ul>
	FY 2007	<ul style="list-style-type: none"> <li>• Implement phase 1 of new standards for worldwide protection, including guard coverage, lifecycle replacement of physical facility equipment, and technical requirements.</li> <li>• Provide security for the Secretary of State without negative impact to other areas.</li> <li>• Cover volume increases in the protection of information, including cyber security and security clearances.</li> <li>• Strengthen training programs and implement refresher/new threats training.</li> </ul>

### Performance Goal: Homeland Security

**Border Protection:** The FY 2008 request responds to a mandate from the Intelligence Reform and Terrorist Prevention Act of 2004 to develop a global strategic plan that targets and disrupts those individuals and organizations involved in the fraudulent travel documents, with an emphasis on individuals and organizations that may have links to terrorist organizations. The strategic plan will enhance the Department's global capacity to combat terrorist travel through additional investigative assets overseas, further strengthening of the Department's criminal intelligence and analytical capabilities, expanding training assistance to foreign partners in travel document fraud, and proactively protecting the integrity of the U.S. visa and passport process.

## WORLDWIDE SECURITY UPGRADES

Initiative/ Program	Diplomatic Security	
<b>Description</b>	Strengthen the Border Protection of the U.S. in response to the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004, section 7218	
<b>Indicator</b>	Indicator #1: The ability of the U.S. Government and other countries to effectively combat terrorist travel	
<b>Targets</b>	<b>FY 2008</b>	<ul style="list-style-type: none"> <li>• Strengthen the capability of the Department's criminal intelligence and analysis to better combat terrorist travel in coordination with other U.S. Government agencies and foreign governments.</li> <li>• Enhance the Department's ability to proactively identify and remedy vulnerabilities in the U.S. visa and passport fraud processes.</li> <li>• Increase the number of arrests for travel document fraud by foreign police in cooperation with the DS overseas criminal investigators by 12% (approximately 525 arrests).</li> <li>• Increase the number of personnel overseas (e.g., foreign police and security, airport staff, U.S. Mission personnel) trained in travel document fraud by 10%.</li> </ul>

### Performance Goal: Regional Stability

Initiative/ Program	Regional Stability	
<b>Description</b>	Security support to U.S. diplomatic efforts in high conflict areas such as Afghanistan, Haiti, Sudan, and Gaza.	
<b>Indicator</b>	Indicator #1: Ability of U.S. Government to Continue to Operate in High Conflict Environments	
<b>Targets</b>	<b>FY 2008</b>	Continue operations in Afghanistan and support to Special Diplomatic Envoys and national priority conflict resolution/reconstruction efforts.
	<b>FY 2007</b>	Continue operations in Afghanistan and support to Special Diplomatic Envoys and national priority conflict resolution/reconstruction efforts.

### Performance Goal: Assist American citizens to travel, conduct business, and live abroad securely.

**Soft Targets:** The FY 2008 budget request includes funding to strengthen threat information dissemination to the private sector, especially those conducted by the OSAC. The request also considers evaluation of the security framework and advance security costs for the 2008 Beijing Olympics.

## WORLDWIDE SECURITY UPGRADES

Initiative/ Program		Assist American citizens to travel, conduct business, and live abroad securely	
Description	Disseminate information about threats to the American private sector and create a more secure environment for public events with a significant volume of Americans		
Indicator	Indicator #1: Number of constituents and web page hits		
Targets	FY 2008	Increase the number of constituents and associates by 200 and web page hits by 5% over FY 2007.	
	FY 2007	Increase the number of constituents and associates by 200 and web page hits by 5% over FY 2006.	
Indicator	Indicator #2: Major events		
Targets	FY 2008	Provide protection enhancements during the 2008 Beijing Olympics. Initiate security planning for Vancouver 2010 Winter Olympics.	
	FY 2007	Validate security of the Pan American Games and provide security coordination for the 2008 Beijing Olympics.	

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# IT CENTRAL FUND

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Request
Capital Investment Fund	58,143	34,319	70,743
Centralized IT Modernization	68,482	66,767	-
Expedited Passport Fees	153,489	188,416	243,002
<b>Total, IT Central Fund</b>	<b>280,114</b>	<b>289,502</b>	<b>313,745</b>

FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimates reflect the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

## *Overview*

More than ever, information technology (IT) is necessary to carry out U.S. foreign diplomacy and promote U.S. interests. The U.S. must have ready access to relevant information at a moment's notice to respond to changing events. Information and IT systems and services must be available around the world and around the clock to U.S. personnel in Washington and at over 300 locations. While the Department of State has improved its global IT infrastructure substantially, technology does not stand still. The future will demand even more - more rapid exchange of high quality information, more effective collaboration among all agencies operating overseas, greater efficiency in delivery of services, more support for mobile computing, and remote access to information while having enhanced security to protect personnel and assets. The Department must rise to this critical challenge and ensure continuous improvement in the delivery of modern anywhere/anytime access to vital information needed for effective diplomacy.

The business and mission imperatives that drive IT investments in FY 2008 are: (1) promoting greater integration and collaboration among the more than 40 civilian agencies with overseas operations, starting initially with State/U.S. Agency for International Development (USAID) collaboration; (2) increasing efficiency and improving customer service through enterprise software licensing, consolidation and centralization of IT services and resources, and rightsizing overseas embassies and missions to promote efficiency, customer support, and security; (3) modernizing critical administrative and financial management systems to prepare for migration to government-wide e-Gov solutions and improve key services (e.g., e-Travel and payroll for Locally Hired Staff overseas); (4) providing critical information resources and tools for the Department personnel both overseas and in Washington - modernizing our messaging system and enhancing our mobile computing programs; and (5) enhancing IT security through improved encryption programs, Public Key Infrastructure (PKI), and global continuity of operations (COOP) that allows the Department to be prepared in the event of disasters or crises. These factors require substantial increases in IT investment which are reflected in this request.

The FY 2008 IT Central Fund request, which covers the Capital Investment Fund and Expedited Passport Fees, provides the IT tools and programs needed to support the Department's mission. Central Fund resources are invested to build effective, secure, and integrated IT systems supporting U.S. diplomacy worldwide, and to provide for the safeguarding and upkeep of the global IT infrastructure that is the foundation for the Department's operations.

## IT CENTRAL FUND

To maximize future IT investments, the Department has completed a new IT Strategic Plan (ITSP) covering the years 2007-2011. The plan builds on the highly successful previous Strategic Plan, which established a robust global IT infrastructure for both classified and unclassified information management and processing.

As the Plan was being developed, it became clear that the ITSP should be a joint plan addressing the needs of both State and USAID. The intent is to promote opportunities for interagency collaboration by furthering joint mission objectives and to capitalize on economies of scale in delivering services. The Joint ITSP mirrors the *FY 2004–2009 State and USAID Strategic Plan*. The Plan will provide a platform for expanding interagency collaboration and global rightsizing to all agencies operating overseas.

The Department's budget request for FY 2008 reflects the IT vision and five strategic goals in the FY 2007-2011 ITSP. The vision is *Empowering diplomacy and development with information and tools available anytime, anywhere*. The five goals supporting this vision are:

- Goal 1: The Right Information: *Knowledge Leadership For Diplomacy and Development*
- Goal 2: Anytime/Anywhere Access: *Foreign Affairs Professionals On The Move*
- Goal 3: External Partnerships: *Diplomacy and Development Through Collaboration*
- Goal 4: Risk Management: *Balancing Security with Business Imperatives*
- Goal 5: Work Practices and Workforce: *Leading Change*

To address the business and mission imperatives while furthering the ITSP, The Department's highest IT priorities for FY 2008 include: (1) sustaining and improving a secure infrastructure to provide increased accessibility to the full range of IT services from all kinds of end user devices (e.g., laptops, cell phones, personal digital assistants (PDAs) and Blackberries, thin clients) regardless of location; (2) business applications that are broadly accessible to authorized end-users, incorporating IT security via web-based tools; (3) improved knowledge management tools for content management, customer relationship management, and intelligent search, retrieval, analysis, and presentation; (4) interagency collaboration and coordination, with particular emphasis on joint efforts with USAID; (5) consolidation and centralization of the delivery of secure IT services to improve customer service and efficiency, along with promoting the rightsizing of U.S. presence overseas; and, (6) investigate and incorporate modern and efficient risk management practices in accordance with Goal 4.

In furtherance of Goal 2, The Department has begun to consolidate its IT resources and support operations, beginning with functions in the Information Resource Management (IRM) Bureau. The near-term focus is on:

- Consolidating the numerous help desks into a single enterprise-wide Tier One Help Desk for all trouble calls and service-related inquiries.
- Consolidating desktop support operations and integrating this capability with the help desk function to eliminate duplicative functions and ensure a consistent face to the customer.
- Server consolidation in the ESOC as noted below.

New automated tools, taking advantage of industry advances in off-the-shelf service support systems, will support IT consolidation. The consolidation will begin within the IRM Bureau, expand to the Bureaus that report to the Under Secretary for Management, and finally to the entire enterprise, in Washington and all around the world.

The following table summarizes the FY 2008 investment funding needed by the Department to achieve its strategic IT goals and objectives:

## IT CENTRAL FUND

### *Investments Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Goal 1: The Right Information: Knowledge Leadership For Diplomacy and Development</b>	<b>52,668</b>	<b>17,176</b>	<b>26,613</b>
State Messaging and Archive Retrieval Toolset (SMART)	39,672	3,870	9,670
Electronic Medical Record (EMR)	2,500	2,250	2,565
Content Management System	2,446	4,000	4,785
Other Goal One Initiatives	8,050	7,056	9,593
<b>Goal 2: Anytime/Anywhere Access: Foreign Affairs Professionals On The Move</b>	<b>143,837</b>	<b>187,766</b>	<b>186,296</b>
Global IT Modernization	61,478	98,995	84,090
Department Bandwidth Costs	40,000	40,000	40,000
Enterprise Network Management	10,056	10,056	11,000
Enterprise Software - Licensing & Maintenance	10,348	15,639	15,639
Enterprise Server Operations Centers	3,000	3,313	3,000
State/USAID Joint Infrastructure Modernization	0	0	5,000
Other Goal Two Initiatives	18,955	19,763	27,567
<b>Goal 3: External Partnerships: Diplomacy and Development Through Collaboration</b>	<b>69,085</b>	<b>70,576</b>	<b>83,162</b>
Joint Financial Management Systems	12,545	9,067	11,401
Consolidated American Payroll System (CAPPS) and Interagency ePayroll Migration	5,487	1,463	1,864
Travel Manager Program	3,499	3,500	3,500
Worldwide Agency-wide Locally Engaged Staff Payroll (WALES)	950	2,495	12,295
A/LM Integrated Logistics Management System (ILMS)	18,000	19,500	18,900
Integrated Personnel Management System (IPMS)	11,267	11,267	11,267
Joint Assistance Management System (JAMS)	500	7,132	8,320
Other Goal Three Initiatives	16,837	16,152	15,615
<b>Goal 4: Risk Management: Balancing Security with Business Imperatives</b>	<b>7,718</b>	<b>7,139</b>	<b>7,139</b>
Public Key Infrastructure (PKI) /Biometrics	7,718	7,139	7,139
<b>Goal 5: Work Practices and Workforce: Leading Change</b>	<b>6,806</b>	<b>6,845</b>	<b>10,535</b>
<b>Total, IT Central Fund</b>	<b>280,114</b>	<b>289,502</b>	<b>313,745</b>



# IT CENTRAL FUND

## **Goal 1: The Right Information: Knowledge Leadership for Diplomacy and Development**

The Department must leverage its investment in reliable global IT infrastructure by expanding direct support for the mission-driven processes of diplomacy, interagency foreign affairs, development, and disaster assistance. This entails developing an information environment, including value-added knowledge bases focused on areas of interest; deploying effective, user-oriented tools for discovering and analyzing useful information; and establishing a Department-wide solution for content management and information publishing and dissemination. It also entails establishing a process and IT support for management to monitor activities, performance, and results. Specific initiatives to be pursued in FY 2008 include:

### **State Messaging and Archive Retrieval Toolset (SMART): \$9,670,000**

The SMART vision is to deliver a simple, secure, and user-driven system to support the conduct of diplomacy through modern messaging, dynamic archiving, and information sharing. SMART will consolidate legacy cables, memoranda, and email on a single platform. Documents will be accessible to users through interest profiling and a sophisticated search engine, and will provide cross-enclave access to Archival Documents. In FY 2008, SMART will complete work associated with the last SMART pilot, and then proceed toward worldwide deployment of the SMART system, which includes end-user and system administrator training, travel, deployment support, on-going operations and maintenance for transitioned posts, and continued program support costs.

### **Electronic Medical Record (EMR): \$2,565,000**

The Electronic Medical Record (EMR) System establishes an essential medical record infrastructure that will enable the Department to provide quality health care services for all U.S. Foreign Affairs agencies worldwide. The EMR provides a single, electronic, authoritative source of information that is retrievable by multiple providers for patient care, medical evacuations, and hospitalizations, medical clearance decisions, medical record release actions, and medical program planning and management. The EMR also provides a standard, rapid, and secure way to enter new medical record information into a patient's State medical record. The EMR is an integration of commercial off-the-shelf (COTS) medical record software; unique State medical applications (e.g. medical clearances); and scanned medical records, which are currently being integrated with web-based development software. The Department's EMR V1 (domestic version) was deployed in 2006.

In FY 2006, development of EMR Overseas Version 2.0 was completed. Deployment of the remaining modules will not be done. The future State worldwide health care record (EHR) systems will be to seek to integrate and comply with the Commission for Health Improvement, the Health Portability and Accountability Act, and the Healthcare Information Technology Standards Panel (HITSP)-endorsed standards for health IT interoperability. The e-community recently identified the Department and five other agencies as providers of direct patient care and requested these departments to develop a plan to adopt HITSP -endorsed standards for health IT interoperability. is actively involved in these initiatives.

### **Content Management System (CMS): \$4,785,000**

The CMS project provides a centralized delivery platform and infrastructure comprised of integrated tools and services for the development and deployment of Embassy and the Department's public websites worldwide. Services provided include: content management, web hosting, search, security, continuity of operations, training, support, and web reporting. The system enables posts and bureaus of any size to develop, maintain, and host centralized multilingual content that streamlines the creation and delivery of high quality information for both print and web content for Embassy and the Department's international audiences. The CMS improves the efficiency of embassy operations by streamlining and providing automated support for content development, workflow, and publishing. More importantly, it will improve the ability of the the Department to deliver highly effective, custom-tailored messages to audiences around the world, thus furthering Transformational Diplomacy.

## IT CENTRAL FUND

In FY 2006, the CMS project reached its goal in adding over 100 new posts to the system. To date, the CMS contains over 250 websites and 158 Posts. In FY 2008 the CMS will be deployed to an additional 100 overseas locations and will continue to integrate new technologies to meet the business needs of its customers worldwide.

### **Other Goal 1 Initiatives: \$9,593,000**

The Department will pursue other initiatives to promote knowledge management in support of diplomacy, including the State Department's web site, Enterprise Information Portal, customer relationship management, Bureau of Intelligence and Research systems, Public Affairs Database Support, and records disposition. State and USAID will explore pilot deployments of innovative technologies for interagency information management and sharing. The overarching focus for FY 2008 will be to determine how best to provide end users with the information and tools they need to further the goals of Transformational Diplomacy.

### **Goal 2: Anytime/Anywhere Access: Foreign Affairs Professionals on the Move**

Under Goal 2, the Department will provide an IT infrastructure that supports reliable access to needed information and systems from anywhere via standard end-user devices such as laptop and desktop computers, PDAs, and cell phones. Users will have access while working at home (telecommuting and telework), while on travel, and while out of the office. To accomplish this goal, the Department will continue to maintain its global IT infrastructure, and will explore technology extensions that enable secure mobile access. It will build on the success of Open Net Everywhere (ONE) and Blackberry programs that have begun to deliver the promise of mobile computing to our diplomats. The Department is working with USAID and other agencies to capitalize on technologies that have proven successful in meeting similar functional and security requirements. Specific initiatives that support Goal 2 are summarized below.

### **Global IT Modernization: \$84,090,000**

In FY 2008, the Department will continue the Global IT Modernization (GITM) program to ensure that its global IT infrastructure is kept current. Through this program, the Department centrally manages the periodic replacement and modernization of classified and unclassified desktop computers, servers, network equipment, and circuits at the Department's domestic facilities and at all overseas posts on a four-year life cycle. As equipment is replaced, infrastructure is re-engineered as appropriate, taking into account newer technology, security, and best practices. GITM allows the Department to sustain a true global infrastructure, ensuring compliance with standards, full interoperability, and cost-effective administration. To enable the Department to take the next step and provide anytime/anywhere access, the infrastructure must be sufficiently robust and reliable.

The GITM plan for FY 2008 is to modernize 111 sites, including 47 overseas OpenNet sites, 45 overseas ClassNet sites, and 19 domestic facilities.

### **Department Bandwidth: \$40,000,000**

Network capacity is crucial to achieving the goals of the Joint ITSP and supporting the Department's global mission. As information and IT are made more available on a 7x24 basis from anywhere, demands on the global network will increase accordingly. These demands are met utilizing bandwidth and related services provided by the Diplomatic Telecommunications Service Program Office (DTS-PO), as well as internet service providers, and very small aperture terminal (VSAT) services. The bandwidth investment for FY 2008 will:

- Enhance network capacity to meet today's business continuity requirements

## IT CENTRAL FUND

- Provide adequate bandwidth for centralized applications such as SMART, video conferencing, and the global financial management system
- Implement federally mandated encryption methods
- Explore the use of alternate telecommunications while considering performance, business requirements and cost

### **Enterprise Network Management: \$11,000,000**

This request supports the Department's on-going management and improvement of its networks – a critical step toward increasing the security and integrity of the Department's IT infrastructure. Priority activities planned for FY 2008 are:

- Increase network availability by improving the network infrastructure and increasing its fault tolerance
- Reduce the network's vulnerability by increasing patch compliance
- Enable the Department to better respond to network issues by utilizing real-time network monitoring tools
- Redesign the classified network's architecture to improve availability, scalability, and performance
- Replace end-of-life networking hardware to provide a more secure network

The Department will initiate a network reengineering study during FY 2008. OpenNet is almost 10 years old and was designed prior to mobile computing, regional processing, rightsizing, and other information technology best practices that affect network demands and performance. The Department recognizes the need to re-tool the network to reflect both current demands and future directions, including the joint State/USAID IT infrastructure integration efforts. As additional regional services are delivered to overseas posts, the network must be able to accommodate the telecommunications demands that will result.

### **Enterprise Software -- Licensing and Maintenance: \$15,639,000**

The Department has entered into centralized software licensing arrangements for critical software. The goals of enterprise licensing include cost savings, standardization, and internal efficiencies in negotiating with vendors. Centralizing the licensing process ensures that all software is kept current and secure; this in turn enables delivery of effective customer service through help desk and desktop support operations that can rely on consistent, maintained, and current software versions. The Department is committed to leveraging economies of scale for large software acquisition, working closely with the GSA SmartBUY program as a member of the SmartBUY steering committee.

The FY 2008 focus in this area is to:

- Utilize enterprise software licensing agreements to reduce the total cost of ownership and to standardize and centralize software procurement
- Implement an off-the-shelf toolset for software asset management (SAM) to track enterprise licensing data and integrate with other COTS tools for trouble ticket management, troubleshooting, and performance monitoring and management reporting
- Explore how enterprise licensing agreements could be used for other widely used software products

### **Enterprise Server Operations Centers (ESOCs): \$3,000,000**

For several years, the Department has operated Enterprise Server Operations Centers (ESOCs) to consolidate data processing and server operations. The ESOCs promote central management of Department servers, yielding efficiency gains and ensuring a critical mass of data center management expertise. Centralization of data processing centers is one step in rightsizing IT support both domestically and overseas. FY 2008 funding would allow the Department to continue with the site, server, and application consolidation to improve COOP) and Disaster Recovery (DR) support. This

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will be accomplished through Virtual Machine technology (VMWare) and highly reliable enterprise storage technology (SANs). In FY 2008, the ESOC will focus on the:

- Rollout of VMware ESX into production, and to virtualize 20% of the servers in the ESOC, including all the IRM servers in the Washington area;
- Select SAN technology, and implement pilot and production systems which provide COOP/DR data and/or server mirroring services to 20% of the servers in the ESOC; and
- Security certification of the ESOC as a Global Support System.

### **State/USAID Infrastructure Integration: \$5,000,000**

The Department and USAID have been working to integrate the unclassified networks of the two agencies to promote greater interagency communication and collaboration. The two agencies are also actively involved in consolidating and standardizing their approaches to financial management and other administrative functions. The Department will leverage the e-gov and LoB initiatives to help with this integration. During FY 2007 and 2008, the focus will be on completing pilots at several posts to determine the appropriate level of integration between the two agencies.

### **Other Goal 2 Initiatives: \$27,567,000**

Other initiatives that focus directly on achieving the goals of anytime, anywhere access include the Department's secure backup and recovery facility, which serves as an Alternate Communications Site (ACS) for in the event of a major interruption of service due to terrorist attacks, natural disasters, or catastrophic failure; anti-virus software; post telephone system upgrades; modernization of critical classified voice and data communications and encryption devices; and secure video/data services throughout the Department.

### **Goal 3: External Partnerships: Diplomacy and Development Through Collaboration**

The Department is committed to electronic Government with resulting improvements in citizen services, mission effectiveness, and efficiency. The focus is in three areas: (1) participating in government-wide e-Gov initiatives; (2) streamlining administrative operations; and (3) enhancing interagency and external collaboration, especially overseas and with the foreign affairs communities. An important ongoing priority is to provide a suite of effective and efficient application systems that ensure diplomatic readiness. The Department has been working to provide diplomatic readiness and management functions in a more streamlined, consolidated, and cost-effective manner. These efforts will facilitate the migration to web-enabled applications, create more useful reporting tools, and improve the Department's ability to share data, both internally and with external partners. It will also position the Department for greater participation in government-wide administrative solutions as they emerge and become available.

### ***Financial Management***

The Department will continue to integrate and upgrade its global financial management systems in FY 2008. Goals include high levels of data consolidation, web-enablement, coordination with USAID, and positioning for government-wide e-Gov efforts.

Key initiatives for FY 2008 in financial management include:

**Joint Financial Management Systems (JFMS) (\$11,401,000)** – Support for the Department and USAID's common financial management platform to provide overseas and domestic worldwide financial management and reporting. JFMS is the follow-on project to the Global Financial Management System (GFMS), which consolidated and improved the Department's financial

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systems.

**Consolidated American Payroll System (CAPPS) and Interagency ePayroll Migration (\$1,864,000)** – This request covers expected legacy system O&M costs and promotes the President's Management Agenda (PMA) through the migration of the Department's American payroll to an OPM/OMB approved ePayroll platform.

**Travel Manager Program (\$3,500,000)** -- Consistent with the PMA, the Department will migrate to the new government-wide eTravel service (eTS), while continuing to provide a modern, standard, and streamlined travel program during the transition. The Department has selected one of GSA's approved eTravel service providers as its eTS vendor. Work during FY 2007 will include several overseas pilots to ensure that the eTS will meet overseas posts' needs. This will position the Department for deployment in FY 2008.

**Worldwide Agency-wide Locally Engaged Staff Payroll (WALES) (\$12,295,000)** -- This request will fund COTS software acquisition and related implementation services for WALES. WALES will replace four versions of the over 20 year old legacy Foreign Service national (FSN) Pay system and FARADS (the legacy system used to generate annuity payments to retired Foreign Service Officers covered by the Foreign Service Act) with a single system built using modern technology. The migration to WALES addresses the major operational risk faced not only by the Department, but also the 40+ other agencies that rely on the State Department for e-payroll services for FSN employees at posts and missions outside the U.S.

### **Integrated Logistics Management System (ILMS): \$18,900,000**

ILMS is a major reengineering and development effort to create a modern, user-oriented system for all logistics functions; including purchasing, supply, transportation, warehouse, and inventory/asset management. ILMS emphasizes operations streamlining and self-service through browser based status tracking. The FY 2008 request will fund operations and maintenance for over 2,500 users worldwide, plus integration and regression testing as the Department updates and consolidates its financial systems. ILMS will continue work in tandem with the Post Administrative Support System (PASS).

### **Integrated Personnel Management System (IPMS): \$11,267,000**

The Department will continue work on the IPMS, the key corporate application that supports State's overall strategic human resources goals. IPMS is instrumental in ensuring that the Department has the right people, with the right training, in the right place, at the right time. The long-term mission of IPMS is to provide the Department with superior human capital management in support of its diplomatic mission. During FY 2008, the Department will continue operations and maintenance of IPMS and its components, and will focus on key upgrades, including: enhancing Post Personnel System capabilities in support of the OMB Gold Standard; upgrading software platforms and interfaces; expanding the use of service oriented architecture; increasing State/USAID integration in support of human resources processes; reengineering data warehouse capabilities and web portal functionality; and supporting both the PMA and Homeland Security Presidential Directive (HSPD-12) initiatives.

### **Joint Assistance Management System (JAMS): \$8,320,000**

JAMS is a cooperative effort by State and USAID to modernize the assistance process. The program will develop and implement a joint, single solution that will facilitate end-to-end assistance management to meet the needs of the foreign affairs community across both organizations. The business case for this initiative will provide the administrative details and checkpoints required for JAMS to receive funding through the Department's eGov process. The request represents the Department's share of the FY 2008 estimated cost.

### **Other Goal 3 Initiatives: \$15,615,000**

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Other initiatives in this area will aid in business process streamlining, interagency communication, and e-Government/Lines of Business (LoB) initiatives. They include the Humanitarian Information Unit (HIU); E-Allowances; Promoting Interagency Connectivity through existing inter-agency networks (e.g. Secret Internet Protocol Router Network (SIPRNET) and Open Source Information System (OSIS)), and other mechanisms; PASS; Enterprise Application Integration (EAI); Joint Planning and Performance System (JPPS) (formerly CFPS); Joint State/USAID Enterprise Architecture; and IT Capital Planning.

As outlined in the President's Management Agenda, E-Government initiatives serve citizens, businesses, and federal employees by delivering high quality services more efficiently at a lower price. Instead of expensive "stove-piped" operations, agencies work together to develop common solutions which achieve mission requirements at reduced cost, thereby making resources available for higher priority needs.

The Department currently participates in 10 e-Government programs including E-Authentication; Grants.gov; and Integrated Acquisition, as well as nine Lines of Business (LoB) initiatives: Financial Management; Grants Management; Human Resources; IT Infrastructure; Geospatial; Budget Formulation and Execution; Federal Health Architecture; and Information Systems Security. The Department is providing funding in FY 2007 and FY 2008 to the following E-Government Initiatives shown below:

	(\$ in thousands)	
<b>INITIATIVE</b>	<b>FY2007</b>	<b>FY2008</b>
• Business Gateway	\$249	\$88
• E-Authentication	\$0	\$65
• Grants.gov	\$130	\$134
• E-Rulemaking	\$155	\$135
• E-Travel	\$0	\$400
• Gov-Benefits	\$135	\$134
• Integrated Acquisition Environment	\$444	\$578
• ePayroll	\$445	\$0
• Enterprise HR Integration	\$0	\$65
• Recruitment One Stop	\$44	\$52
• LoB Financial Management	\$83	\$75
• LoB Grants Management	\$30	\$28
• LoB Human Resources	\$65	\$65
• IT Infrastructure LOB	\$80	\$80
• Geospatial LOB	\$35	\$36
• Budget Formulation & Execution LOB	(in kind)	\$85
• ISS LOB	\$0	\$60
<b>TOTALS</b>	<b>\$1,895</b>	<b>\$2,080</b>

Benefits realized by the Department in FY 2007 and FY2008 through the use of E-Gov initiatives are anticipated as follows:

- *Business Gateway* – Helps businesses locate the Department's information more easily, when they may not have known the Department offers business-related resources and helps reduce the burden for businesses to find and submit forms.

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- *E-Authentication* – E-Authentication enables the Department to use identity credentials issued and managed by organizations within and outside the Federal Government, thereby avoiding the much of cost of providing its own identity management solutions.
- *Grants.gov* – Provides a single site for the grants community to apply for grants using common forms, processes and systems. The Department derives its largest source of benefits from Grants.gov by not building a system for collecting electronic grant applications.
- *E-Rulemaking* – The Federal Docket Management System (FDMS) enhances 's ability to receive public comment on a world-wide basis. the Department publishes on average 36 regulatory actions. Coupled with nearly 340 non-comments annually.
- *E-Travel* –can provide more efficient and effective travel management services through E-Travel. The benefits include cost savings associated with cross-government purchasing agreements and improved functionality through streamlined travel policies and processes, strict security and privacy controls, and enhanced agency oversight and audit capabilities. (FY 2008 and beyond)
- *GovBenefits.gov* – Increased public awareness of State Department benefit programs, including programs providing US citizens with opportunities to participate in educational and/or cultural exchange programs abroad that contribute to the Department's public diplomacy efforts; and programs to assist US fishing vessels involved in international fishing disputes.
- *Integrated Acquisition Environment* – State has avoided the costs required to build and maintain separate systems to record

### **Goal 4: Risk Management: Balancing Security with Business Imperatives**

Under Goal 4, State and USAID will adopt a comprehensive and unified approach to all aspects of IT security. Such a joint IT security program is essential for accomplishing the other joint goals in the new IT Strategic Plan. The intent is to enable broad access to information and systems; secure internal and external collaboration; rapid and secure introduction of new technologies; and comprehensive business continuity plans that can be relied upon to work in the event of a terrorist attacks, natural disaster and/or catastrophic failure.

The Department and USAID will apply the best practices of each agency, as well as industry and government innovations in IT security. Security risk management will be based on a partnership model, through which system sponsors, IT professionals, and security experts will collaborate to make risk management decisions and ensure that IT assets are protected commensurate with risk. System and data owners/sponsors will assume ultimate responsibility for making risk management decisions. Innovative security approaches, such as biometrics, will be in place to monitor and control user access to IT systems and information, thus enabling anytime, anywhere access, and securing extranets for internal and external collaboration.

### **PKI and Biometrics: \$7,139,000**

PKI supports user authentication and biometrics to control access to the Department information resources on ClassNet and OpenNet Plus meeting the requirements of HSPD-12; protects and validates the electronic information stored on E-Passports; improves IT security against external and internal threats; and supports digital signature requirements enumerated in the Electronic Signatures in National and Global Commerce Act (E-SIGN). PKI will also help satisfy provisions set forth by the Government Paperwork Elimination Act (GPEA) by reducing the amount of paper produced for physical signature. Other uses include

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exchange of contractor information between overseas secure embassy construction sites and the Department; investigative reports by Diplomatic Security; and protection of sensitive and personal medical records to serve those stationed overseas.

FY 2008 funding will support:

- Overseas deployment
- O&M requirements of the PKI infrastructure
- 100% validation of OpenNet users
- Application of single sign-on (SSO) capabilities to additional systems
- Providing secure sharing of information across regions and between agencies
- Enhanced protected telework services that support expansion of this initiative.

### **Goal 5: Work Practices And Workforce: Leading Change: \$10,535,000**

Goal 5 focuses on ensuring that end-user staff have the skills necessary to use the new IT tools, systems, and information being made available under the other four goals; continuously enhancing the skill base of the Department's IT staff; and creating and sustaining an efficient and effective IT support organization. The latter will focus on ensuring that the Department promotes continuous innovation in the use of IT to support the diplomatic mission. Goal 5 also focuses on adjusting the skills and responsibilities of IT staff to enable them to play a higher-level consultative role in helping end-users exploit modern technology. This request will be used for innovative training management, distance learning, and technology at the Foreign Service Institute.



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# BORDER SECURITY PROGRAM

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Machine Readable Visa (MRV) Fees	772,755	747,564	861,950
Diplomatic and Consular Programs	45,673	0	0
Western Hemisphere Travel Surcharge	0	103,800	130,200
<b>Enhanced Border Security Program Fees</b>	<b>165,145</b>	<b>265,715</b>	<b>281,765</b>
Passport Security Surcharge	126,757	223,650	239,700
Immigrant Visa Security Surcharge	23,288	26,965	26,965
Diversity Fee	15,100	15,100	15,100
Fraud Prevention Fee	4,200	31,800	31,800
<b>Total Border Security Program Expenses</b>	<b>987,773</b>	<b>1,148,879</b>	<b>1,305,715</b>

## *Justification of Request*

The Border Security Program is a critical element in the Department of State's fundamental mission of protecting American citizens and safeguarding the nation's borders. The Bureau of Consular Affairs (CA) is responsible for: denying valid entry into the United States of individuals who pose a threat to this country; facilitating the entry of legitimate foreign visitors and students; protecting American citizens abroad; researching and developing automated systems; and implementing policies, procedures, and processes in coordination with other federal agencies in support of homeland security goals. The Border Security Program strategy is focused on five major objectives: information technology, connectivity, infrastructure, integrity, and human resources.

### **Information Technology**

Enhance data sharing initiatives with other agencies and increase the effectiveness and efficiency of the applicant screening process through name checks and biometrics technologies (fingerprint scanning, facial recognition). Provide consular officials responsible for adjudicating passport or visa applications with pertinent information the U.S. holds regarding that applicant.

### **Connectivity**

Provide worldwide and redundant connectivity in support of passport and visa adjudication, including sufficient bandwidth to support the Consular Consolidated Database and other data sharing and remote management initiatives.

### **Infrastructure**

Provide the most modern equipment and software to support consular operations. Ensure an effective replacement and refresh schedule and development of software programs to meet workload and legislative requirements.

# **BORDER SECURITY PROGRAM**

## **Integrity**

Strengthen the integrity of the passport and visa issuance processes and products through improvements to the documents themselves, enhancements in information storage and retrieval, expanded training in anti-fraud techniques and procedures, and a comprehensive program to investigate any indications of fraud.

## **Human Resources**

Supply a sufficient number of qualified staff to fill new and vacant consular positions. Work with the Department to hire, train and assign personnel to meet increasing workload demands and program growth domestically and overseas.

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The following chart summarizes the costs of the major activities of the Border Security Program:

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Consular Project Initiatives</b>	<b>391,868</b>	<b>440,507</b>	<b>530,386</b>
Consular Systems Install and Operations	45,000	35,000	37,000
Consular Systems Modernization and Support	73,561	77,950	90,350
Automated Namecheck Systems: CLASS	17,000	15,000	14,700
MRV Administrative Support	55,903	64,918	79,789
Public Information Support	17,304	18,300	21,300
Document Integrity/Fraud Programs	4,950	27,335	27,213
Consular Training (FSI)	5,195	6,269	5,614
Passport Operations	102,625	140,404	207,244
Passport Facilities	4,684	5,500	5,754
Passport Systems	41,455	42,300	46,000
Visa Processing	16,329	27,152	29,420
American Citizen Services	2,323	2,762	2,463
Intelligence Support Unit (INR)	648	762	779
Facilities Management (A)	4,891	5,298	5,585
<b>Diplomatic Security</b>	<b>11,127</b>	<b>12,423</b>	<b>13,412</b>
Investigative Support/Guards	11,127	12,423	13,412
<b>Technology Backbone – IRM</b>	<b>18,000</b>	<b>19,000</b>	<b>18,000</b>
IRM Computer Systems and Operations/	8,000	9,000	8,000
Diplomatic Telecommunications Support	10,000	10,000	10,000
<b>Border Security Staff (American Salaries)</b>	<b>241,205</b>	<b>264,188</b>	<b>276,965</b>
Consular Affairs	103,292	119,350	126,593
Bureau of Administration	89	89	89
Information Resource Management	3,039	3,039	3,039
Diplomatic Security	14,434	15,186	15,194
Overseas Staff	120,351	126,524	132,050
<b>Border Security Support</b>	<b>325,573</b>	<b>384,318</b>	<b>424,127</b>
Consular Affairs	174,869	237,013	272,417
Diplomatic Security	870	870	870
Information Resource Management	4,090	4,090	4,090
Western Hemisphere Affairs (BCC)	2,000	2,000	2,000
Overseas Support	143,744	140,320	144,725
<b>Total, Border Security Program</b>	<b>987,773</b>	<b>1,148,879</b>	<b>1,305,715</b>
<i>DHS Reimbursement</i>	12,000	12,000	12,000

## **BORDER SECURITY PROGRAM**

The Department will pursue the following objectives in FY 2008 as part of its continued efforts to protect and assist Americans abroad and to improve U.S. border security by preventing the entry of terrorists or others intending to engage in criminal activity in the United States.

### **Consular Systems Installation and Operations: \$37,000,000**

All consular operations worldwide rely on a standardized suite of modernized applications that support visa and passport processing and American citizen services. These applications provide significant operational and security features that ensure the integrity of all consular processes. In FY 2007 and FY 2008, CA plans to procure the necessary hardware to support several new applications, such as 10 Print fingerprint collection, a stand-alone Automated Cash Register System (ACRS) and the Emergency Overseas PhotoDigitized Passport System (EPDP). The EPDP will allow the Department to produce a more secure machine-readable U.S. passport overseas. CA will also expand Facial Recognition capability for visa and passport systems. To ensure successful deployment of these applications, the bureau must maintain a high level of installation/training and technical support to the field, including numerous field pilot evaluations and additional visits to posts beyond the regular 36-month hardware replacement visits and 12-18 month refresher training trips. The training will require coordination with FSI and will include computer-based and hands-on training by visiting experts in consular automated systems. CA will also operate a support desk staffed by consular systems experts, and technical teams trained and ready to assist posts on an as required basis.

### **Consular Systems Modernization and Support: \$90,350,000**

Systems that support the Border Security Program constitute one the largest groups of corporate applications within the Department. These systems are located at approximately 240 posts overseas, 17 passport agencies, and two visa centers. As part of the Border Security initiative and to curtail fraud, a strong and knowledgeable security program must be in place to ensure that all Consular systems are as immune to compromise as possible. To this end, CA will continue to manage, develop, and operate unclassified and classified web sites, domestic operations programs, and emergency preparedness initiatives.

The Enhanced Border Security and Visa Entry Reform Act of 2002 requires biometric technology to be applied to both passport and visa processes. The effective implementation of the 10 Fingerprint Collection Program as well as continued support of all consular systems and applications will meet these legislative requirements. In addition, CA will enhance and provide technical support for the domestic based automated systems that support the processing of immigrant visas at the National Visa Center (NVC) and the Kentucky Consular Center (KCC). The bureau will also consolidate the multiple systems that support the visa business process into a single system to afford CA the ability to reduce future maintenance costs and more readily support future visa process modernization initiatives. In addition, CA will continue to invest in a new Internet-based crisis management system that will allow interaction with US citizens via the Internet, as well as be worldwide available. This system will form the backbone of crisis response to disasters such as the 2004 Asian tsunami and the 2006 departure of American citizens from Lebanon.

CA will continue to work closely with the Department of Homeland Security and other Federal Government agencies in data sharing efforts. The bureau will develop a worldwide standard fraud tracking system that all posts and government entities can use to reference data at a central location. In addition, the bureau will upgrade and renovate the American Citizen Services systems (ACS+, IBRS, and CTF) to provide basic assistance to American citizens traveling abroad. Finally, CA will continue to update and maintain a central index of adoptions covered by the Hague Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption (Hague Convention on Intercountry Adoption) to allow adoption service providers to have access to adoption case data via the Internet.

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### **Automated Name Check Systems CLASS: \$14,700,000**

The Consular Lookout and Support System (CLASS) is the primary tool upon which consular officers depend when adjudicating passports and visas. The CLASS database consists of approximately 22 million primary and 7 million alias records against which consular officers perform name check and identity checks. CA supports direct connections with DHS, the Federal Bureau of Investigation, the Drug Enforcement Administration and the Department of Health and Human Services, and will continue to support and expand that electronic data-sharing network. CLASS is available to all consular operations overseas, with the average response time of 15 seconds or less for 80% of the name checks. For passport checks, the database contains approximately 5,000,000 records, and will expand as the threshold for denying a passport for failure to pay child support drops to \$2,500.

To execute name checks in areas of the world that offer limited telecommunication links, the Department has developed eCLASS, which provides standalone as well as central name check capabilities. With eCLASS, CA projects to be completely off mainframe technology in FY 2008, thereby reducing costs and increasing flexibility. In addition, it incorporates expanded functionality by allowing other agencies to share CLASS technology, thereby making it easier for other agencies to gain access to the CLASS database. Under eCLASS, CA will continue to develop interfaces with other consular databases, such as the Consolidated Consular Database (CCD), the Diversity Visa Program database (eDV), the crisis management system and passport systems. CA is also testing a system called the Global Verification Module (GVM) that incorporates additional verification logic to examine visa applicant documentation to detect potential fraud.

As part of its contingency planning and in accordance with Presidential Directive 63, which specifically lists CLASS as a mission critical system for which contingency resources must be developed, CA has established an Alternate Processing Center at the Kentucky Consular Center for name check processing.

### **MRV Support Costs: \$79,789,000**

The Machine Readable Visa (MRV) fee, collected from most applicants seeking a nonimmigrant visa, will continue to support overseas consular operations, including expenses incurred by consular agents as well as all expenses paid to banks to collect the MRV fee. CA will also continue to fund peak season staffing, TDY assistance to overseas posts, and the cost of Consular Management Assistance Teams participating in overseas management reviews. The bureau will continue to provide funding for modest amounts of office equipment, renovations, and furniture for consular sections worldwide. In addition, CA will provide support costs associated with the anticipated workload surge in Mexico for Border Crossing Card (BCC) renewals.

### **Public Information Support: \$21,300,000**

CA will continue to rely on two call centers to provide the public with the most responsive information available in the most cost-effective manner. Contractors staff both call centers. The call center for American citizen services is a toll-free service that provides non-Privacy Act-protected information regarding the safety and welfare of American citizens abroad. The National Passport Information Center (NPIC) provides information services to the general public via a toll-free telephone number and e-mail correspondence. Due to increased passport demand and questions regarding the Western Hemisphere Travel Initiative (WHTI), the Department expects that demand for this service will continue to grow. In FY 2005, contract Customer Service Representatives at NPIC received 2.2 million calls. In FY 2006, the Department received over 5 million calls. To meet this increase, CA will add additional contractor staff in FY 2007 and FY 2008.

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### **Document Integrity/Anti-Fraud Programs: \$27,213,000**

CA will continue to maintain its emphasis on enhanced U.S. border protection and security through its efforts to uncover and combat fraud in consular documents. Through the Office of Fraud Prevention Programs (FPP), CA maintains an extensive program to share anti-fraud intelligence information with Fraud Prevention Managers, Diplomatic Security Agents and the Department of Homeland Security. In FY 2007 and FY 2008 CA will continue to prepare fraud alerts on lost and stolen travel documents and counterfeit travel documents. The bureau will conduct anti-fraud training at consular sections abroad, passport agencies, and at the National Visa Center and the Kentucky Consular Center.

In accordance with the H-1B Visa Reform Act of 2004, part of the FY2005 Consolidated Appropriations Act (Public Law 108-447), revenues generated from fees collected by the Department of Homeland Security related to H-1, H-2B and L visas and by consular posts from blanket L-1 visa petitions may be used by the DHS, the Department of State and the Department of Labor for anti-fraud programs related to these types of petitions. In FY 2007, the program will expand the anti-fraud programs in FPP and the Kentucky Consular Center and increase anti-fraud staff, including investigative staff in the Bureau of Diplomatic Security.

### **FSI Consular Training: \$5,614,000**

The Foreign Service Institute (FSI) will continue to provide training in the form of classes, conferences, workshops, and on-line courses to consular officers, Information Management Specialists, Foreign Service Nationals, and consular agents. Courses cover anti-fraud and counter-terrorism techniques, name checking and identity recognition, consular systems applications, and immigrant and non-immigrant visa adjudication policies and procedures. FSI also provides courses on crisis planning, assistance to victims of crime, the Hague Convention on Intercountry Adoption, and the Hague Convention on the Civil Aspects of International Child Abduction. Funds also provide for the administrative support related to conducting these classes.

### **Passport Operations: \$207,244,000**

Program requirements are primarily driven by passport demand and related personnel and contractor costs. In FY 2006, passport demand was over 12.3 million applications with workload expected to grow to 16.2 million in FY 2007 and at least 19.5 million applications in FY 2008. These projections include the impact of the WHTI requirement that U.S. citizens crossing any U.S. border must have a passport or other accepted documents deemed sufficient by the Secretary of Homeland Security to denote citizenship and identity.

To meet the anticipated workload, the Department plans to establish book personalization centers that will handle book printing, quality control and book mailing activities. These centers (one to open in FY 2007 and another planned for FY 2008) represent a move away from the current manner of processing passports where all adjudication and personalization activities occur at one facility. The book personalization facilities will also produce other travel documents, including the Passport Card. The Passport Card will be introduced to the public in early 2007 and can be used by U.S. citizens traveling across the land and sea borders of the U.S. Applications for the passport card will undergo the same scrutiny and security checks as applications for the traditional passport book, and will incorporate security features similar to those found in the U.S. passport.

Passport Services has identified imposter fraud, which includes identity theft, as the primary type of passport fraud committed in the U.S. CA plans to address this vulnerability by examining its business processes and by developing information system applications that would target possible identity theft by using such techniques as data mining and facial recognition.

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The majority of passport applications are processed through lockbox operations managed by the Department of Treasury's General Lockbox Network. In FY 2008, CA plans to expand lockbox ancillary functions to include preliminary document review of the application, routine correspondence and digital image capture of the application.

### **Passport Facilities: \$5,754,000**

Passport Services will continue to maintain the infrastructure of 17 passport agencies and the Passport Services headquarter offices. This requires funding for such items as telephone systems, renovations, furniture, and office equipment. To meet public demand for passports in metropolitan areas with international airports that do not presently have passport agencies in their cities, the Department plans to establish gateway city agencies. These relatively small "counter agencies" will provide the traveler with a passport in time to meet their travel date. The agency structure will be modeled on the existing "Gateway City" facility near Denver, Colorado. The Department plans to establish one agency in FY 2007 and another in FY 2008.

### **Passport Systems: \$46,000,000**

The tremendous increase of Passport demand over the past three years has also required a large increase in systems support, and thus funding. In addition, CA will complete the rollout of the e-Passport in FY 2007, and initiate the issuance of a passport card as a part of the Department's strategy to implement effectively the WHTI.

Passport Systems provides operational support for approximately 2,000 users at the 17 regional passport agencies and centers, oversees a three-year replacement cycle for all computer equipment, develops and maintains passport software and manages the storage of over 97 million passport application record images dating back to 1994. The program is developing software that would allow data sharing with other federal agencies. CA continues to explore new technologies to enhance the integrity of passport processes. CA has developed the Passport Information Electronic Records System, which provides adjudication information to overseas consulates, thereby improving each consulate's ability to detect passport fraud.

### **Visa Processing: \$29,420,000**

The Visa Office has identified and delegated certain visa processes that can be more effectively and efficiently performed centrally at the Kentucky Consular Center and the National Visa Center. The KCC manages the casework of the Diversity Lottery Program, receives and prepares for storage at NARA all visa records and manages the Facial Recognition Project, which involves screening visa applicants against an international lookout database. It also scans all visa records that have been refused and shares the information with other federal agencies. The KCC also serves as the Alternate Processing Center for the Consular Lookout and Support System (CLASS), a critical element in the Program's Critical Infrastructure Protection plan. In FY 2007 and FY 2008 the KCC will expand its anti-fraud program, targeting H-1, H-2B and L visa fraud.

The National Visa Center supports immigrant visa processing through the centralization and management of several consular projects, including a portion of petition processing and the Affidavit of Support review program, which requires sponsors of visa applicants to provide evidence that they can economically support the visa applicant. The NVC also processes all security advisory opinions and fingerprints of immigrant visa applicants and conducts anti-fraud activities related to immigrant visa petitions.



## **BORDER SECURITY PROGRAM**

### **American Citizen Services: \$2,463,000**

One of the Department of State's core objectives is the safety and welfare of American citizens abroad, especially in times of crisis. The funding requested allows CA to meet its protection responsibilities by providing information to travelers as well as prospective adoptive parents, providing a web site and internet-based registration site for American citizens traveling overseas, and enhancing crime victim assistance programs. In FY 2007 and FY 2008, the bureau will continue to engage in bilateral and multilateral meetings to strengthen crisis assistance to citizens, monitor international treaty compliance; implement the Hague Convention on Intercountry Adoption; train American and international judges in Hague Convention on Civil Aspects of International Child Abduction procedures and train state and local officials on consular notification issues.

### **INR – Intelligence Support Unit: \$779,000**

In support of the nation's counter-terrorism efforts, the Bureau of Intelligence and Research (INR) works to identify and prevent the entry of individuals who pose potential threats to the United States. Funding will be used to operate the CA Watch. The CA Watch is staffed during non-duty hours by individuals with consular training and experience who are able to access consular databases and answer questions from ports of entry, other watches and other agencies regarding lookout interpretation, document validity and consular procedures for handling emergencies. The CA Watch also acts as a point of contact for the Terrorist Screening Center (TSC) and the National Counter-Terrorism Center (NCTC) and recovers intelligence files for SAO reviews.

### **A Bureau – Facilities Management: \$5,585,000**

This funding provides for facilities maintenance, custodial services, and utilities at the National Visa and National Passport Centers in New Hampshire, the Kentucky Consular Center (KCC), and the Charleston Passport Center in South Carolina. These funds also include GSA rent for CA office space in Washington, D.C.

### **DS – Diplomatic Security: \$13,412,000**

The Bureau of Diplomatic Security (DS) plays an important role in protecting the nation's borders and preventing passport and visa fraud. The DS bureau plans on increasing resources used to support criminal investigations concerning illegal passport and visa issuance and use through the funding of additional professional investigative support. In addition, DS will continue to hire and assign guards to protect all of CA's facilities. Funding will also be used to fund travel of Department employees to testify in Federal and overseas courts, expand the use of databases in fraud investigations, and improve DS's surveillance equipment capabilities. The DS bureau will expand its investigative activities of H-1, H2B and L visa fraud using revenues provided using revenues retained under the H-1B Visa Reform Act of 2004.

### **IRM – Technology Support: \$18,000,000**

Funds for the Bureau of Information Resources Management (IRM) will be used to provide around-the-clock systems monitoring, operational, technical support and systems software programming as required for mainframe-based CLASS name check system. In addition, IRM will provide support for the server-based distributed eCLASS platform and backup contingency and disaster recovery for both CLASS and eCLASS systems to comply with Homeland Security and Critical Infrastructure Protection (CIP) requirements.

### **Border Security Staff – American Salaries: \$276,965,000**

In FY 2006 the Border Security Program funded the salaries and benefits of 3,087 full-time positions that include consular staff, both Civil Service and Foreign Service, as well as some Diplomatic Security and Information Resource Management employees. Included in this position base is

## **BORDER SECURITY PROGRAM**

additional passport staff hired to meet workload increases as well as the consolidation of the Consular Associate Replacement Program into the Border Security Program. Under this program, 190 new consular officers were hired over a three-year period and were originally funded under the Department's regular appropriations.

The FY 2007 Estimate provides for a staffing increase of 183 positions (53 overseas and 130 domestic). Included in these numbers are 112 positions that are necessary to meet the demands for passport adjudications associated with the Western Hemisphere Travel Initiative. In FY 2008, the Department plans to increase staff by another 122 positions (44 overseas and 78 domestic). As a result of these increases, Border Security Program positions will total 3,392 by the end of FY 2008.

### **Border Security Support: \$424,127,000**

Requested funds for this program activity cover basic expenses of the Border Security Program. Funds for this activity pay for consumables and supplies for the visa and passport programs, including visa foils and passport books and the embedded contactless chip. These funds also cover the start-up and recurring expenses associated with overseas consular positions, which includes funding to the regional bureaus to pay the salaries and benefits of locally engaged consular employees as well as the post specific benefits (i.e., cost of living allowances, educational allowances and danger pay) of American consular staff. Funding includes consular operating expenses related to the Border Crossing Card renewals in Mexico.

### **BCC Reimbursement to DHS: \$12,000,000**

The Department will continue to reimburse the Department of Homeland Security (DHS) for expenses related to the Border Crossing Card (BCC) program. In accordance with Section 104 of the Illegal Immigration and Immigrant Responsibility Act of 1996, the Department plans to reimburse the DHS \$12,000,000 for BCC production costs in FY 2008.

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# EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Worldwide Security Upgrades</b>	<b>898,574</b>	<b>576,933</b>	<b>806,900</b>
Security Construction	799,852	478,211	692,178
Compound Security	83,914	83,901	99,722
Soft Targets	14,808	14,821	15,000
<b>Operations</b>	<b>582,288</b>	<b>594,844</b>	<b>781,206</b>
Planning and Development	9,378	10,500	11,067
Real Estate and Property Management	6,540	6,700	7,062
Project Execution	84,866	85,935	82,434
Operations and Maintenance	426,707	435,827	622,783
Information Management and Support	32,394	33,075	34,597
Harry S Truman Building and Domestic Renovations	22,403	22,807	23,263
<b>Headquarters</b>	<b>8,864</b>	<b>10,808</b>	<b>11,328</b>
<b>Appropriation Total</b>	<b>1,489,726</b>	<b>1,182,585</b>	<b>1,599,434</b>

FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

## *Justification of Request*

The Bureau of Overseas Buildings Operations (OBO), funded through the Embassy Security, Construction, and Maintenance (ESCM) appropriation, is responsible for managing the Department of State's (DOS) real property assets providing U.S. diplomatic and consular missions with secure, safe, and functional facilities. This mission is critical to the Secretary's "Transformational Diplomacy" initiative, providing the Department's employees with tools essential to achieving U.S. foreign policy objectives.

The FY 2008 request seeks sufficient resources to maintain OBO's progress in replacing non-secure diplomatic facilities. At the end of 2006, OBO had delivered a total of 41 new facilities since 2001 and had an additional 36 under design or construction. These 77 new facilities represent 39.5% of the 195 identified for replacement following the Nairobi/Dar-es-Salaam bombings in 1998— setting a record pace for delivering modern and secure diplomatic facilities on-time and within budget. In FY 2007, the Department expects to award contracts for 10 new facilities and is requesting funding in FY 2008 for the design and construction of 11 new facilities.

## **EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE**

The innovative strategies employed by OBO have resulted in significant dividends. In FY 2006, OBO executed the second year of the Capital Security Cost Sharing program designed to accelerate the replacement of diplomatic compounds that do not meet security standards. This program increases the resources available to fund the replacement of new embassy compounds by levying a per capita charge on those agencies operating overseas under the Chief of Mission authority, providing an incentive for agencies to rightsize their overseas staffing, a major initiative of the President's Management Agenda.

While the capital construction program will replace the most vulnerable facilities, over a quarter of overseas posts will not receive a new embassy compound (NEC) under the current program. The value of the Department's real estate assets exceeds \$14 billion and includes over 15,000 properties – a large and challenging portfolio to maintain. With a robust and successful capital construction program in place, OBO has shifted more focus to the operations and maintenance (O&M) activities required to keep the Department's existing inventory of facilities operational and to ensure new facilities are properly maintained. With this renewed focus, management has begun applying the same results-based process and lessons learned from the capital construction programs to improve the effectiveness of the O&M programs and reduce the backlog of maintenance requirements. The FY 2008 funding request is critical to continuing these improvements in order to protect the Department's long-term investment in new facilities and extending the useful life of facilities not scheduled for replacement.

### ***Capital Construction and the Capital Security Cost Sharing Program***

OBO continues to work with partners throughout the Federal Government and private sector to plan and implement a comprehensive program that addresses the security, safety, and operational issues that confront overseas facilities. The Department is incorporating rightsizing and regionalization efforts with a construction program that uses industry best practices to achieve efficient and effective results for U.S. taxpayers.

The FY 2008 request includes funding for the fourth year of the five-year phase-in of the Capital Security Cost Sharing Program (CSCSP). This program, together with the Capital Security Construction Program, will provide over \$1.16 billion in FY 2008 for the planning, design, and construction of NECs. The CSCSP was established to accelerate the replacement of unsafe, unsecure, and outdated diplomatic facilities that are used overseas by U.S. Government agencies. In addition, the program creates incentives within all agencies of the Government to scrutinize and rightsize their overseas presence to avoid unnecessary costs and security risks by charging each agency for projected, as well as existing, authorized positions. Each agency with staff overseas under Chief of Mission authority will pay a fair share towards construction of new diplomatic facilities based on the number of authorized positions and the type of space occupied. After the five-year phase in, the program will be funded at a level of approximately \$1.4 billion per year.

### ***Functional Programs***

In addition to the capital construction program that serves to replace overseas diplomatic facilities, OBO manages a number of ongoing functional programs that are vital to the execution of the worldwide security program and the maintenance of the Department's aging inventory of facilities that cannot be ignored. Failure to meet recurring maintenance and repair needs would add to the existing maintenance backlog; diminish the value of these government assets, including the newly constructed NECs, and result in higher maintenance and rehabilitation costs in future years.

# EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

## ***Program Description***

The FY 2008 budget request of \$1.6 billion and 922 positions for ESCM is comprised of \$793 million to maintain operations at current services levels, \$692 million to continue the Capital Security Construction program and \$115 million to support Compound Security program improvements.

### ***Worldwide Security Upgrades - \$806.9 million***

This request includes \$692.2 million for the Capital Security Construction Program that, when added to the funds contributed by other agencies through the CSCSP and other reimbursements, will provide a total of \$1.16 billion for the planning, design, and construction of NECs. These funds will allow the Department to meet its key goal of constructing secure facilities at high-risk overseas posts to protect employees from terrorists and other security threats. The FY 2008 plan includes:

- Construction of NEC facilities in Bandar Seri Begawan, Brunei; Beirut, Lebanon (Annex); Belgrade, Serbia; Guayaquil, Ecuador; Juba, Sudan (NEC/Housing); Kinshasa, Democratic Republic of the Congo; Lusaka, Zambia; Manila, Philippines (Annex); Moscow, Russia (Annex); Riga, Latvia; and Tripoli, Libya.
- Acquisition of sites for future NEC projects and planning activities.

In addition, \$114.7 million is requested to continue the Department's compound security program. As described in the Long-Range Overseas Buildings Plan, the FY 2008 request will fund compound security upgrades, installation of forced entry/ballistic resistant doors and windows, maintenance of shatter resistant window film, environmental security protection, and setback properties should they become available for acquisition. This program includes \$15 million for security enhancements to soft targets such as overseas schools and residential compounds.

### ***Operations – \$792.5 million***

The Operations request provides funding for the seven major program areas within OBO: Planning and Development, Real Estate, Project Execution, Operations and Maintenance, Information Management and Support, Harry S Truman Building and Domestic Renovations, and Headquarters. Funding of these operational needs is critical for the support of the Capital programs as well as to ensure adequate stewardship of the Department's existing facilities.

#### **Planning and Development - \$11.1 million**

Proper planning is the critical component of OBO's philosophy of "getting it right." The Planning and Development Office provides the central focus for overseas facility planning efforts and is the linchpin in OBO's efforts to continue the change from a "budget drives planning" mindset to one of "planning drives the budget." This office, which is responsible for producing the Long-Range Overseas Buildings Plan (LROBP) and Asset Management Plan (AMP), conducts business case analyses and provides the detailed Long Range Facility planning, space requirements planning, project development, and cost management support necessary to design and construct new facilities or renovate existing ones, as well as manage any new initiatives.

#### **Real Estate - \$7.1 million**

Site selection and acquisition are critical steps in the success of any new construction project, but they can be the most difficult to negotiate and complete. This program supports all aspects of real property acquisition, management, and disposal.

## EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

### Project Execution - \$82.4 million

The Project Execution Office is the single point of responsibility and accountability for design, construction, and the commissioning of all facilities. This funding will allow the Department to reach its goal of completing one hundred percent of construction projects on time and within budget. The request comprises several different programs responsible for different aspects of execution.

- Construction and Commissioning - \$27.2 million This program funds expenses for the domestic and on-site construction management staff that oversee the work of the general contractors building and renovating the Department's overseas facilities.
- Design and Engineering - \$31.3 million The Design and Engineering Division provides assistance in soliciting and negotiating architectural and engineering services contracts and reviewing project drawings, specifications, and associated documents for compliance with codes and unique Department of State security requirements. Program funding includes the salary and support costs for staff who resolve design problems and changes during the construction process. In addition to participating in the project planning and programming phases (including project definition and engineering support), staff members assist the Facility Management Division in determining criteria and standards governing operations, maintenance, and repair requirements.
- Security Management - \$11.5 million This program provides security measures that safeguard overseas construction projects from potentially hostile terrorist acts and intelligence efforts. Beginning in FY 2005, OBO discontinued the practice of budgeting for security management costs for non-capital projects in the Security Management account. These costs are now included as part of the individual project budgets.
- Interiors and Furnishings - \$12.5 million This program provides interior planning and design for new office and support buildings, existing office facilities under rehabilitation, and new lease fit-out projects. In addition, it formulates policy, standards, and procedural guidance for interiors of office facilities and provides for the maintenance and replacement of furniture, furnishings, and equipment in representational spaces.

### Operations and Maintenance - \$622.8 million

The Operations and Maintenance (O&M) Office is the Department's single point of responsibility and accountability for operations and maintenance of U.S. Government-owned or leased structures. Inherent in this mission is the responsibility to ensure compliance with all O&M-related aspects of the President's Management Agenda initiative on Federal Real Property Management. The Leasehold, Maintenance and Repair of Buildings, Facility Management, Facility Rehabilitation, Fire Protection, Safety, Health, and Environmental Management, Art in Embassies, and Post Communications programs reside within this office.

- Leaseholds - \$361.6 million Leasehold funds are used to acquire functional and residential properties for foreign affairs agencies through lease, lease-purchase, and build-lease agreements. The decision to lease or purchase a property is based on economic analysis of the cost alternatives and the availability of funds. This program funds all activities associated with leasing overseas properties, including market assessments, legal expenses, and fee recording. It also provides living quarters allowance payments to Department employees at selected posts where U.S. Government provided housing is not available.

## EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

The Leasehold Program funds long-term leased (i.e., lease terms of ten years or longer) residential and non-residential properties overseas supporting all foreign affairs agencies under the supervision of the Chief of Mission. The program also funds short-term leased residential and non-residential space for Department personnel. In cases where the Department leases shared office facilities on a short-term basis, the costs for such leases are distributed among all tenant agencies through the International Cooperative Administrative Support Services (ICASS) system. Under a Memorandum of Agreement with the Department of Defense, the Department is reimbursed for the cost of housing Marine Security Guards that are deployed overseas.

The FY 2008 request of \$361.6 million is necessary to ensure that the Department can meet current lease commitments and provide safe, secure and functional facilities (both office and residential) for overseas staff where government owned facilities or a NEC are not an option. OBO continues to review internal business practices and implement process improvements to limit cost growth and identify inefficiencies in the pool of leased facilities. OBO hopes to limit future funding requests with the savings achieved through these management initiatives. The request includes funding for lease and fit-out space for a new New Delhi Model American Center in India; new American Presence Posts; lease housing in Belmopan, Belize; and a net savings of \$2.3 million from terminated leases. In addition, OBO anticipates \$85.0 million in reimbursements from other Federal agencies.

- Maintenance and Repair of Buildings - \$101 million The core business of this program is to provide for the upkeep of the Department's existing inventory of U.S. Government-owned and long-term leased overseas properties. Proper stewardship of this inventory, which includes the Department's recently completed NECs, requires a continuing investment in maintenance and repair to retain asset value, stop deterioration, and ensure facilities are appropriate for conducting diplomacy.

The Department allocates funding for maintenance and repair of buildings by two major activities: Routine Maintenance and Repair, and Special Maintenance and Improvement Projects. Routine Maintenance and Repair includes preventive maintenance of building systems, as well as recurring activities such as painting, weather-stripping, termite control, minor repairs, replacement of fixtures, and the acquisition of building supplies used for recurring maintenance requirements. Special Maintenance and Improvement Projects restore, alter, and modernize existing facilities or perform minor new construction projects such as a new recreation center.

- Major Rehabilitation - \$69.4 million This program rehabilitates, upgrades, or replaces worn out building systems that can no longer be physically or economically maintained by routine, preventive, and unscheduled maintenance and repair activities. System rehabilitation, replacement, and upgrade is done to extend the life of the building and ensure continued serviceability, provide a secure and safe environment for U.S. Government employees, and capitalize on efficiencies from new technologies. The request of \$69.4 million supports projects planned for FY 2008 using a rigorous prioritization process that considers life-safety and security issues and aligns with the Asset Management Plan and the LROBP. Of this request, \$5.3 million is required to fund on-going requirements for projects already under construction and the remaining \$64.1 million will be used to start new projects.
- Facility Management - \$69.3 million This program provides technical assistance and support to overseas posts in maintaining major building systems, as well as all maintenance-related activities associated with the planning and execution of the NEC program. This includes performing maintenance inspections, developing preventive maintenance programs specific to post requirements, and offering hands-on technical support and materials necessary where such



## EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

assistance is not otherwise available. The FY 2008 request includes \$9.3 million for critical maintenance operations which consist of \$5.6 million for 12 new Facility Manager positions at new embassy compounds and the implementation of the Locally Employed Facility Manager initiative, \$0.9 million for generators associated with new positions, and \$0.7 million for the Special Projects Assistance Branch providing support and expertise on small projects managed by post.

- Fire Protection - \$8.9 million This program provides a variety of services to the Department's overseas posts including: conducting fire inspections, promoting and presenting training programs, installing fire detection alarm systems, and supplying posts with critical fire and life safety equipment. The FY 2008 request covers purchases of essential fire prevention and system equipment.
- Safety, Health, and Environmental Management - \$3.9 million The Safety, Health, and Environmental Management (SHEM) program mission is to protect the life, health, and safety of U.S. Government employees and family members stationed overseas, minimize the environmental impact of Department activities, and provide occupational health and environmental services to Department of State domestic facilities. This is done by providing technical expertise and support to overseas managers to help them avoid accidents, eliminate workplace hazards and environmental contaminants, and meet with Occupational Safety and Health Administration (OSHA) and Environmental Protection Agency (EPA) standards.
- Art in Embassies Program - \$1.7 million The Art in Embassies program administers loans and donations of American works from museums, institutions, corporations, galleries, and individual artists and collectors to communicate American values and cultural diversity through the display of these works at overseas posts.
- Post Communications - \$7.1 million The Post Communications program provides funding for the life-cycle replacement of all telephone systems located in U.S. Government-owned and long-term leased, non-residential facilities overseas. The goal of this program is to replace obsolete telephone systems with modern, reliable, digital systems capable of delivering a full range of services. This funding will provide for the replacement of systems at five posts in FY 2008.

### Information Management and Support – \$34.6 million

The request for Information Management and Support seeks funding for all information technology (IT) and management support to OBO program offices. This request will cover necessary costs to maintain current systems and facilities, which will ensure adequate support for a growing program.

### Domestic Renovations - \$23.3 million

The Department of State owns or operates and maintains numerous facilities in metropolitan Washington, D.C. and in other U.S. locales. To protect these real property investments and to ensure adequate working conditions for employees, the Department developed a Capital Improvement Program to upgrade building systems and to correct long identified deficiencies in these facilities.

### Headquarters - \$11.3 million

This request provides for the salaries and support costs of the 76 positions providing executive direction, resource management, and developmental training for the entire OBO staff.

# EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

## Performance in OBO's Results Based Organization

The mission of OBO is to provide U.S. Diplomatic and Consular missions with secure, safe, and functional facilities to assist them in achieving U.S. foreign policy objectives. To achieve this mission, OBO is focused on four priority goals that advance diplomatic readiness, are aligned with Department of State objectives, and reflect the priorities outlined in the President's Management Agenda. These goals are:

- Capital Security Construction – Award capital security construction projects which have been listed in the LROBP after consultation with other agencies, and complete the construction on time and within budget. The program will provide NECs that are secure, safe, and functional for U.S. Government employees to pursue the national interests of the United States through transformational diplomacy.
- Compound and Physical Security – Provide physical security upgrades and compound security to Department overseas facilities to protect employees from terrorist and other security threats. This also includes security upgrades for soft targets such as schools, recreational facilities, and residences.
- Maintenance of Assets – Maintain, repair, and rehabilitate overseas Diplomatic and Consular facilities in an effective manner that enhances the quality of life of employees while allowing them to perform their duties in secure, safe, and functional facilities.
- Asset Management – Acquire, dispose of, and manage the Department's overseas real property in a professional manner that meets Department needs; is performed on terms favorable to the U.S. Government; and is defensible to OMB, the Congress, and the American public, serving as the Department of State's overseas property manager.

In support of these four goals, each component of the OBO organization has established performance targets that benchmark critical functions. Management reviews performance against these targets monthly to identify potential problems and ensure effective performance. OBO management also meets quarterly with its Industry Advisory Panel to review and discuss issues with an aim toward maximizing the free exchange of ideas and best practices between the Government and private sector. This request includes a budget and performance summary linking funding, positions, and performance targets for each significant component.

## Performance Targets and Results

OBO has demonstrated that its organization, culture, and processes have resulted in outstanding performance. Since 2001, OBO has consistently delivered and the following metrics reflect this transformation:

- Completed construction of 41 new facilities since 2001:

Abu Dhabi, United Arab Emirates	Abidjan, Cote D'Ivoire	Abuja, Nigeria
Astana, Kazakhstan	Baghdad, Iraq (IOB)	Bamako, Mali
Belmopan, Belize	Bogota, Colombia (IOB)	Bridgetown, Barbados
Cape Town, South Africa	Conakry, Guinea	Conakry, Guinea (USAID)
Dar es Salaam, Tanzania	Dar es Salaam, Tanzania (USAID)	Dili, East Timor (IOB)
Doha, Qatar	Dushanbe, Tajikistan	Frankfurt, Germany
Freetown, Sierra Leone	Istanbul, Turkey	Kabul, Afghanistan
Kabul, Afghanistan (ARG/USAID)	Kampala, Uganda	Kampala, Uganda (USAID)
Kingston, Jamaica	Lima, Peru (USAID)	Lome, Togo
Luanda, Angola	Nairobi, Kenya	Nairobi, Kenya (USAID)

## EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

Phnom Penh, Cambodia	Phnom Pehn, Cambodia (USAID)	São Paulo, Brazil
Sofia, Bulgaria	Tashkent, Uzbekistan	Tbilisi, Georgia
Tirana, Albania	Tunis, Tunisia	Yaounde, Cameroon
Yerevan, Armenia	Zagreb, Croatia	

- Continued to manage the on-going construction/design of 36 new facilities:

Abuja, Nigeria Annex	Accra, Ghana	Accra, Ghana (USAID)
Algiers, Algeria	Athens, Greece Annex	Baghdad, Iraq
Bamako, Mali, (USAID)	Beijing, China	Berlin, Germany
Bogota, Colombia	Ciudad Juarez, Mexico	Djibouti, Djibouti
Guangzhou, China (Design)	Jerusalem Annex	Johannesburg, South Africa
Kathmandu, Nepal	Kathmandu, Nepal (USAID)	Khartoum, Sudan
Khartoum, Sudan (Annex)	Kigali, Rwanda	Kingston, Jamaica (USAID)
Kolonia, Micronesia	Koror, Palau	Libreville, Gabon
Managua, Nicaragua	Managua, Nicaragua (USAID)	Mumbai, India
Panama City, Panama	Port au Prince, Haiti	Quito, Ecuador
Rangoon, Burma	Skopje, Macedonia	Skopje, Macedonia (Annex)
Surabaya, Indonesia	Suva, Fiji	Tbilisi, Georgia (USAID)

- Anticipate awarding contracts for 10 new facilities in FY 2007:

Addis Ababa, Ethiopia	Antananarivo, Madagascar	Beirut, Lebanon
Brazzaville, Republic of the Congo	Harare, Zimbabwe	Jeddah, Saudi Arabia (NEC/Housing)
Karachi, Pakistan	Ouagadougou, Burkina Faso	Sarajevo, Bosnia and Herzegovina
Tijuana, Mexico		

- Anticipate awarding contracts for 11 new facilities in FY 2008:

Bandar Seri Begawan, Brunei	Beirut, Lebanon (Annex)	Belgrade, Serbia
Guayaquil, Ecuador	Juba, Sudan (NEC/Housing)	Kinshasa, Dem Rep of the Congo
Lusaka, Zambia	Manila, Philippines (Annex)	Moscow, Russia (Annex)
Riga, Latvia	Tripoli, Libya	

OBO continues to look for ways to improve its cost-effective performance. Continuous improvement is important since a majority of facilities still need to be repaired, rehabilitated, rebuilt, restored, or replaced. Proper funding is critical to the success of OBO initiatives in order to sustain this progress, as well as to ensure compliance with the President's Management Agenda initiative on Federal Real Property Management (Executive Order 13327).

### ***PART / Program Evaluation***

Using the Program Assessment Rating Tool (PART), the Office of Management and Budget has examined the Capital Security Construction, Strategic Capital and Compound Security programs. On the PART assessments, the OBO Capital Security Construction Program received a 97% rating, ranking it among the top scores in the entire Federal Government, while the Strategic Capital and Compound Security Programs were also rated as effective – placing these programs in the top 15% of all Federal programs. These OBO programs were found to be well managed, with strong planning and evaluation processes in place to monitor program progress and address any deficiencies in a timely fashion.

## **EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE**

As the PART reviews indicate, the management changes and performance initiatives begun by OBO in FY 2001 have produced improved performance and outstanding results, most notably in the Capital Security Construction Program, where ambitious performance targets are met or exceeded regularly. In addition, OBO has incorporated the recommendations from these PART exercises to build upon the already successful OBO management practices.

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# OFFICE OF INSPECTOR GENERAL

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Administration and Staff Activities	5,878	5,878	6,055
Inspections, Audits, Investigations	23,255	21,955	24,588
Policy Formulation	1,812	1,812	1,865
<b>Appropriation Total</b>	<b>30,945</b>	<b>29,645</b>	<b>32,508</b>

FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2006 Actual includes \$25.3 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234) and reflects the transfer of \$24.0 million to the Special Inspector General for Iraq Reconstruction.

FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

## *Justification of Request*

This request funds the activities of the Office of Inspector General (OIG), including audits, inspections, investigations, and security and intelligence reviews of the worldwide operations and programs of the Department of State (Department) and the Broadcasting Board of Governors (BBG). OIG will continue to focus its work on Department and BBG progress in the four strategic areas detailed in its five-year strategic plan: implementation of foreign policy; protection of people, facilities, and information; effectiveness of financial and administrative support systems and controls; and accountability and integrity in programs and operations. The requested funding will enable OIG to strive to meet the expanding demands for reviews of programs, operations, and foreign affairs activities related to mission-critical issues such as security, transformational diplomacy, consular affairs, information technology, public diplomacy, and international broadcasting. In addition, the funding will enable OIG to avoid falling below critical mass in its audit and investigative functions and to increase the level of information technology expertise for its inspections and audit activities. As resources permit, OIG will conduct critical work related to high-risk, high-value programs and operations in Iraq and Afghanistan.

The request of \$32,508,000 includes \$1.876 million for 14 positions to begin restoring OIG's audit and investigation oversight capacity and for wage and price increase. The 14 unfunded positions include six audit positions, three information technology positions to support the audit and inspection functions, four investigator positions, and one inspection position.

## *Program Description*

The OIG monitors the Department and the BBG operations and promotes positive change to improve their management, strengthen their integrity and accountability, reduce their risks and vulnerabilities, and ensure the most efficient, effective, and economic use of their resources. OIG's oversight extends to the Department's and BBG's 59,000+ employees and more than 260 missions and other facilities worldwide,

## OFFICE OF INSPECTOR GENERAL

funded through combined annual appropriations of more than \$10 billion. OIG's work identifies problems and vulnerabilities and makes recommendations to correct them, investigates allegations of misconduct and violations of law and regulation, and reviews grants, contracts, financial operations, and other resource-intensive programs to identify cost savings and efficiencies, including resources that can be put to better use.

As mandated by the Inspector General Act of 1978, as amended, and the Foreign Service Act of 1980, as amended, and other governing legislation, OIG conducts audits, inspections, and investigations that provide independent, objective, and professional assessments of Department and BBG operations and activities and recommends ways to strengthen and improve their economy, efficiency, and effectiveness; to detect and prevent fraud, waste, abuse, and mismanagement; and to investigate activities that may violate law and regulation. OIG also assesses the implementation of U.S. foreign policy, primarily through inspection of overseas posts and domestic offices, to ensure that their activities are consistent with the goals established by the President and the Secretary of State; and independently evaluates the formulation, applicability, and implementation of security standards at all U.S. diplomatic and consular posts and BBG overseas operations that fall under chief of mission authority.

### *Benefits*

OIG's work provides a substantial return on investment in terms of cost savings to the government and improvements to the effectiveness, efficiency, economy, and integrity of Department and BBG operations and safety, quality of life, and accountability of their personnel. OIG's activities focus on the most risk-prone and mission-critical operations of the Department, including protection of people and facilities, counter-terrorism and border security, human resources, information security, financial management, and Iraq and Afghanistan. OIG contributes to the Secretary's transformational diplomacy goals by assessing how missions around the world are succeeding in promoting democracy and supporting other transformational diplomacy initiatives.

Audits, inspections, and other reviews identify vulnerabilities that may threaten the integrity and security of Department and BBG operations, as well as improvements needed to strengthen program integrity and accountability, eliminate waste, and ensure resources are used as intended. The results of OIG reviews and investigations provide the Department, BBG, the office of Management and Budget (OMB), Congress, and the American taxpayer with assurance that Department and BBG programs and operations are managed effectively, efficiently, and with integrity; and that U.S. Government managers, employees, and contractors are held accountable for their performance and conduct. OIG oversight also evaluates the Department and BBG progress in management improvement initiatives mandated by the President's Management Agenda and demonstrates the effectiveness of programs evaluated through OMB's Performance Assessment Review Tool.

# EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Academic Exchanges	238,390	246,998	281,082
Professional and Cultural Exchange Programs	143,421	142,996	152,888
Program and Performance	-	2,907	3,170
Exchanges Support	45,595	48,405	49,260
<b>Total Direct Obligations</b>	<b>427,406</b>	<b>441,306</b>	<b>486,400</b>
Balances/Recoveries Applied From Prior Years	(12,275)	(16,144)	-
Balances Carried Forward	16,144	-	-
<b>Appropriation Total</b>	<b>431,275</b>	<b>425,162</b>	<b>486,400</b>

FY 2006 Actuals reflect the rescission of .28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006, (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2006 Actuals include \$5.0 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234).

FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, as amended). These amounts may change with the expected passage of a year-long CR.

In addition to the direct appropriated amounts shown, the U.S. Agency for International Development (USAID) provided funds for Economic Support Fund (ESF), Support for East European Democracy Act (SEED) and Freedom Support Act (FSA) activities in FY 2006. In FY 2006, a total of \$38,058,056 was available for obligations from ESF, SEED, and FSA including FY 2005 balances of \$5,908,056 and FY 2006 transfers of \$32,150,000. A total of \$33,643,327 was obligated; \$29,785 lapsed; and \$4,384,944 in balances will be available in FY 2007. Additional transfers from USAID for ESF and SEED are anticipated in FY 2007 and FY 2008.

## *Explanation of Request*

The international exchange of persons and ideas is fundamental to the security of the United States. Educational and cultural engagement is premised on the knowledge that mutual understanding, the development of future leaders, and the benefits of education programs influence societies and affect official decision-making almost everywhere in the world today. The Department's exchange activities seek to promote better appreciation and understanding of the United States and its values abroad and greater receptivity of U.S. policies among international publics, as well as greater knowledge among Americans about the world.

Anti-American sentiment must be countered with a better appreciation for U.S. policies and values, contributions to winning the war on terrorism and efforts to achieve greater international stability. Educational and cultural exchanges are a critical component in these efforts because they foster a sense of common interests and common values between Americans and people of different countries, cultures and faiths throughout the world. Exchanges encourage and empower moderates with a positive vision of hope,



## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

isolating and marginalizing those who preach violence, confronting their ideologies of tyranny and hate, and discouraging indoctrination in extremism.

The FY 2008 request of \$486,400,000 will strengthen the exchanges component of public diplomacy by raising the number of participants in programs of proven value and will create new opportunities to engage, educate and empower foreign and American participants in exchanges, particularly in the Muslim world. The fact that over 230 current and former heads of state and government - including Tony Blair and Hamid Karzai - and more than 35 Nobel laureates - including this year's recipients of the Nobel Prizes for Peace and Literature - are alumni of Bureau of Educational and Cultural Affairs (ECA) exchange programs illustrates the transformative power of exchanges.

### National Security Language Initiative

The Department will expand the National Security Language Initiative (NSLI) - announced by President Bush in January 2006 - to engage foreign governments and peoples, especially in critical regions, to encourage reform, promote mutual understanding, convey respect for other cultures, and provide an opportunity to learn more about America and its citizens.

The National Security Language Initiative focuses on Arabic, Chinese, Farsi, Russian and Turkic languages. The Department believes that this focus will prepare young Americans to understand the peoples who will help to define the 21st century, and nothing is more important than the ability to converse in their native tongues.

The Department will build international capacity and knowledge among Americans by providing new opportunities for American high school students, undergraduates and graduate students to study critical need languages abroad, and will strengthen foreign language teaching in the U.S. through exchanges and professional development. New and increased Fulbright scholarships, summer language institutes, and teacher and language exchanges will all increase the national language capacity, and better prepare the U.S. for critical dialogue with its partners around the world. New and increased Gilman Scholarships will assist Americans from economically-challenged backgrounds who seek to study abroad in non-traditional destinations.

### International Education in the National Interest

The January 2006 Secretary's U.S. University Presidents' Summit on International Education engaged leaders of U.S. higher education in a renewed partnership to strengthen international education and emphasize its importance to the national interest. The Summit participants, including Secretaries Rice and Spellings, reaffirmed the importance of promoting U.S. study and creating targeted exchanges to reach key student audiences abroad, in close cooperation with the academic community and the private sector. Education is a value that virtually every other society has in common with the U.S., and the USG's willingness to share the excellence, diversity and innovation of the U.S. educational system with students from other countries sends a powerful message of respect, openness and opportunity.

ECA is working to fulfill the Secretary's Summit commitments by launching a series of ground-breaking initiatives that will bring outstanding international students in science and technology to the U.S. for Fulbright awards; take advantage of the resources offered by innovative U.S. community colleges to engage broader foreign student sectors in ECA exchanges; reach out to women, underserved and indigenous populations by offering new U.S. study programs; help deserving students with financial need gain access

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

to U.S. study opportunities; and promote expanded international cooperation in urgent health-related issues by creating a special Humphrey Fellowship in this area.

### Empowering Critical Voices

The Department will expand Professional and Cultural Exchange Programs to support the President's 2006 National Security Strategy, promoting freedom and democracy, with the ultimate goal of ending tyranny, intolerance, terror and repression. The Department will expand high performing programs and establish new exchange programs focusing on professional, youth, sports, and cultural programs that engage both U.S. and foreign citizens who influence their nation and the way young people think.

The International Visitor Leadership Program (IVLP) is consistently rated by U.S. missions around the world as the most effective public diplomacy program for rapidly and directly engaging on key foreign policy priorities. These programs - including new initiatives such as the Edward R. Murrow Program for Journalists - develop, sustain, and deepen the channels for dialogue among, and the leadership and influence skills of, emerging leaders, young professionals, youth, and key adult influencers.

Through the Islamic Dialogue Program, the Department will expand the successful Islamic Life in the U.S. projects designed to engage influential Muslim clerics, thinkers, writers and community leaders with American Muslim and non-Muslim counterparts. The program supports a two-fold increase in the number of exchange participants.

An expansion of the Professional Fellows Program under Citizen Exchanges will include new disciplines in opportunity countries in all regions around the world. New programs will directly support the Global Cultural Initiative, announced by First Lady Laura Bush, the Fortune/State Department International Women's Leaders Mentoring Partnership, and Sports Exchange Initiative. Fellows, drawn from priority (primarily Muslim) countries, will be mid-level practitioners in disciplines such as culture, sports and business that inspire hope and create opportunity for youth. By engaging in public-private partnerships, the Department hopes to empower future generations of leaders.

### Program and Performance

Alumni outreach amplifies the experience of opinion leaders who participated in the Department's exchange programs after their return home, extending the impact of the funds expended on the initial exchange activity. The Department will continue with widely recognized evaluations of exchange programs and seek new ways to provide policymakers with specific measures of impact and useful tools for planning and adjusting programs.

### Exchanges Support

The request includes funding for 18 additional positions that are required to expand the National Security Language Initiative, to engage leaders of U.S. higher education in a renewed partnership to strengthen international education, to expand high performing programs, and to support new exchange programs focusing on professional, youth, sports, and cultural programs. Increased funding is also necessary to ensure that the high quality of exchange programs, which have become increasingly essential components of U.S. foreign policy, is sustained.

# EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

## *Program Description*

ECA programming falls under the broad categories of Academic Programs, Professional and Cultural Exchanges, Program and Performance, and Exchanges Support.

**Academic Exchanges** -- Academic exchanges between the United States and foreign countries include the following programs: J. William Fulbright Educational Exchange Program for the exchange of scholars, students, and teachers in both directions, and of mid-career professionals from developing nations through the Hubert H. Humphrey Fellowships, a Fulbright activity; programs to promote English learning overseas; projects for the professional development of teachers; activities to advise foreign students about the value of educational opportunities in the United States, a major service sector with positive foreign trade activity; and undergraduate scholarships such as the Benjamin Gilman program, which funds foreign study for economically disadvantaged Americans, and similar programs for foreign undergraduates to study in the United States.

**Professional and Cultural Exchanges** -- These exchanges include the International Visitor Leadership Program, which supports travel in the United States by current and emerging foreign leaders to obtain first-hand knowledge about American people, politics, and culture. The Citizen Exchanges Office works in partnership with non-profit non-governmental organizations and the private sector to sponsor professional, cultural and youth exchanges, such as the Future Leaders Exchange Program (FLEX) and the Youth Exchange and Study Program (YES), cultural and sports envoys, and citizen ambassadors.

**Program and Performance** -- This includes special crosscutting programs conducted outside of the major program accounts directed at establishing and maintaining Alumni networks, and determining the effectiveness of programs through a comprehensive schema of evaluation. This includes the performance measurement of programs in accordance with the Government Performance and Results Act of 1993.

**Exchanges Support** -- Exchanges support includes staff costs, information technology cost, and support for exchange programs management, increasing cooperation among U.S. government agencies that administer international exchange and training programs, and support for the U.S. Cultural Property Advisory Committee that acts on requests from foreign governments to the United States to assist in cultural preservation and the prevention of the theft of cultural heritage material.

## *Benefits*

In an age of instant global communication, public perceptions of U.S. policies and values have a significant impact on the conduct of American foreign policy. International relations are no longer defined primarily by policies and ideologies, but by perceptions of culture, traditions, values, and beliefs.

Exchanges create opportunities for U.S. and foreign publics to understand each other's societies and cultures directly, and create respected individual ambassadors who can explain America and convey American values.

To build support for U.S. policy abroad, the United States must go beyond governments to inform people and organizations that influence policy and frame public discussion directly. ECA's unique contribution to foreign policy is its ability to engage key individuals and institutions through exchanges that change perceptions and attitudes. These experiences provide participants representative of all segments of societies

## EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

with firsthand knowledge of American culture, politics, and values, as well as increase U.S. understanding of other countries and peoples, and help build trust and the long-term interpersonal relationships needed to counter stereotypes and address political, economic, and social issues that fuel hostility and conflict. Rarely has the need for a sustained effort to ensure foreign understanding of the country and society been so clearly evident, or so directly related to U.S. long-term national security.

### ***PART / Program Evaluation***

The Office of Management and Budget has consistently scored exchange programs in the top 1% of the Executive Branch, emphasizing their transformational power and ability to produce demonstrable results.

Using its Program Assessment Rating Tool (PART), the Office of Management and Budget evaluated exchanges in the Near East and South Asia regions as well as globally and, in both cases, awarded them the highest rating of “effective.”

To supplement its in-depth evaluations, ECA created an on-line performance measurement tool. This on-line survey program provides critical data and analyses to Bureau leadership, partners and stakeholders. To expand the ECA evaluation model to other public diplomacy assessments, the Under Secretary for Public Diplomacy and Public Affairs established a Public Diplomacy Evaluation Office led by ECA's Office of Policy and Evaluation.

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# REPRESENTATION ALLOWANCES

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>8,175</b>	<b>8,175</b>	<b>8,175</b>

FY 2006 Actual reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

## *Justification of Request*

Representational events provide an essential tool for diplomatic staff to engage government, business, academic and cultural leaders in host countries. A broader base of contacts is one method to improve understanding between the United States and the people of the world. By providing resources for representational events at the more than 260 embassies, missions, and consulates worldwide, the FY 2008 requested funding will continue to support U.S. national interests, economic activities, and other diplomatic functions. The Department will stage appropriate representation events and apply this vital diplomatic tool to enhance the effectiveness of U.S. national and foreign policy interests.

## *Program Description*

This appropriation enables diplomatic and consular personnel to engage in official representational activities overseas and at missions to international organizations.

The activities funded by this appropriation include:

- Interaction with influential individuals and organizations, including the local media, key political elites, academics, business persons and members of non-governmental organizations to assess the overseas public affairs climate and convey and reinforce acceptance of U.S. policies and values;
- Promotion of peaceful relations between the U.S. and other countries by fostering mutual understanding through academic, professional, and cultural activities;
- Promotion of U.S. national interests through formal and informal interactions with knowledgeable foreign officials and long-term residents, usually at receptions, small working luncheons, and informal dinners;
- Protection of U.S. citizens' interests by developing and maintaining personal relationships with foreign officials, which facilitates providing assistance and solving problems of Americans abroad;
- Promotion of economic activities by establishing and maintaining relationships with foreign and American officials, business persons, labor leaders, and others overseas who may be helpful in performing duties connected with promoting and protecting American trade; and
- Fulfillment of commemorative and ceremonial requirements such as Fourth of July celebrations or the laying of a wreath at the tomb of a local national hero.

## REPRESENTATION ALLOWANCES

### *Benefits*

Activities performed under this appropriation facilitate the effective conveyance of U.S. foreign policy goals and objectives, the gathering of information central to the formulation of our bilateral and multilateral foreign policy, and the cultivation of and support for U.S. policies and values.

# PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Extraordinary Protection of Foreign Missions/Officials New York	7,509	7,509	16,000
Extraordinary Protection of Foreign Missions/Officials Rest of U.S.	1,761	1,761	2,000
<b>Appropriation Total</b>	<b>9,270</b>	<b>9,270</b>	<b>18,000</b>

FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 request of \$18,000,000, to remain available for two fiscal years, will fund requirements for the extraordinary protection of international organizations and foreign missions and officials in the United States. The increase over prior years reflects a rise in the annual validated claims for reimbursement submitted by the City of New York for the costs associated with handling the security related to the United Nations.

## *Program Description*

Under Section 214 of the State Department Basic Authorities Act and 3 USC §§ 202(8), 202(10), and 208, the Department of State provides for the extraordinary protection of international organizations, foreign missions and officials, and foreign dignitaries (under certain circumstances) throughout the United States. The Bureau of Diplomatic Security administers this program in the following manner:

- **Extraordinary Protection of International Organizations and Foreign Missions and Officials in New York** - Extraordinary protection of foreign missions and officials, including those accredited to the United Nations and other international organizations, and visiting foreign dignitaries under certain circumstances is arranged when deemed necessary by the Secretary of State either at the request of a foreign mission or international organization, at the initiative of the Department of State, or in response to a request by state or local law enforcement authorities. In those instances where the Secretary of State determines that the required level of protection exceeds that which local law enforcement agencies can reasonably be expected to provide, the Department is authorized to use its own resources to reimburse other federal agencies, including but not limited to the U.S. Marshals Service and the Bureau of Alcohol, Tobacco, and Firearms: to contract for the services of private security firms; or to reimburse state or local authorities for extraordinary protective services.
- **Extraordinary Protection of International Organizations, Foreign Missions and Officials Elsewhere in the United States** - Throughout the rest of the United States, extraordinary protection of



## **PROTECTION OF FOREIGN MISSIONS AND OFFICIALS**

international organizations, foreign missions and officials, and visiting foreign dignitaries under circumstances is arranged when deemed necessary by the Secretary of State either at the request of a foreign mission or international organization, at the initiative of the Department of State, or upon a request by state or local law enforcement authorities. In those instances where the Secretary of State determines that the required level of protection exceeds that which local law enforcement agencies can reasonably be expected to provide, the Department is authorized to use its own resources to reimburse other federal agencies, including the U.S. Secret Service and the U.S. Park Police; to contract for the services of private security firms; or reimburse state or local authorities for extraordinary protective services.

### ***Benefits***

This program is used by the United States Government in furtherance of its obligation under the Vienna Convention on Diplomatic Relations and other international treaties to protect foreign missions and officials in the United States.

Examples of the protection given to foreign missions and officials include:

- Permanent protection for certain foreign missions, consulates, and chanceries throughout the United States;
- Intermittent protection for certain other consulates in the United States;
- Protection for foreign officials and certain other distinguished foreign visitors during the annual meeting of the United Nations General Assembly; and
- Protection of foreign government officials while in the United States to conduct official business with the United States Government and while visiting metropolitan areas where there are 20 or more full-time consular or diplomatic missions.

A demonstrated commitment to the safety of foreign dignitaries visiting the United States will also ensure that U.S. diplomats and government officials receive reciprocal treatment when traveling abroad. A tangible example of the benefits of this reciprocity was the response of Syrian authorities to help foil the attack on the American Embassy in Damascus in September 2006.

### ***PART / Performance Evaluation***

PFMO supports the Department's Strategic Goals 1 and 7 -- Achieving Peace and Security and Strengthening Consular and Management Capabilities. PFMO contributes to these goals by ensuring the protection of foreign missions and officials in the U.S., enabling the conduct of international diplomacy.

Successful implementation of the PFMO Program is evidenced by the successful protection of all foreign officials within its responsibility against dangerous or life-threatening situations and all foreign missions within its purview against attack.

# EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>43,872</b>	<b>4,940</b>	<b>19,000</b>

FY 2006 Actual reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2006 Actual includes \$15.0 million provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2006 Actual also includes \$19.0 million transferred from the Diplomatic and Consular Programs appropriation.

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 request of \$19,000,000 will allow the Department to meet emergency requirements, and other needs in the conduct of foreign affairs, including:

- Payments for rewards related to terrorism, narco-terrorism and war crimes, as well as ongoing or new rewards publicity campaigns;
- Travel, per diem, and other related expenses for evacuation of American government employees and their families from troubled areas to the United States and/or “safe haven” posts;
- Allowances granted to State Department employees and their dependents evacuated in such emergencies;
- Travel, per diem and other related expenses for the emergency response teams that provide immediate medical and administrative assistance to posts that have undergone a terrorist incident or natural disaster;
- Reimbursement to Department of Homeland Security of travel, per diem, equipment, and salaries of the International Medical Surgical Response Team (IMSuRT) physicians who provide emergency medical services to assess, treat, and prepare for evacuation of injured American personnel and their families in the event of natural or manmade disaster;
- Reimbursement to Department of Defense for hostage rescue contingencies;
- Investigations and apprehension of groups or individuals involved in fraudulent issuance of U.S. passports and visas;
- Representation expenses for senior domestic officials related to the conduct of foreign affairs; and
- Other authorized purposes.

## *Program Description*

The Emergencies in the Diplomatic and Consular Service appropriation is a no-year account utilized to meet unforeseen emergencies and other requirements that arise in the conduct of foreign affairs.

## EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

The appropriation is available to:

- Meet emergency situations in the conduct of foreign affairs, such as the evacuation of USG employees and their families, as well as private American citizens and third country nationals in certain circumstances, from areas of political unrest or natural disaster.
- Assist host governments with quick transportation of specialized equipment to locations where American citizens and U.S. interests are in jeopardy due to terrorist incidents overseas. This fund will expedite payments for airlifting specialized equipment to locate hostages.
- Pay rewards for certain information concerning acts of international terrorism, international narco-terrorism, drug trafficking, and war crimes. There are standing offers which cover numerous terrorist incidents, including the following: the terrorist attacks of Sept. 11, 2001; the Bwindi Park murders in Uganda; the United Texas Petroleum (UTP) murders and U.S. Consulate murders in Karachi; the Daniel Pearl case; the Embassy Islamabad killings; the bombing of the USS Cole; the 1993 World Trade Center bombing; the bombing of U.S. Embassies in Nairobi and Dar es Salaam; the attack on U.S. Marine barracks in Beirut; the bombing of Saudi residential compounds; the attack on an American diplomatic convoy in Gaza; and the bombings in Bali, Indonesia. There are also standing reward offers for the arrest or conviction of Revolutionary Armed Forces of Colombia (FARC) kidnappers in Colombia; the arrest and/or conviction of major international drug lords; and the arrest of war criminals in Rwanda and the former Yugoslavia. There are also standing reward offers for several members of the former regime of Saddam Hussein.
- Support certain representational activities, such as those incurred during visits of official foreign dignitaries, peace talks, and at international summits.
- Support reimbursements for hostage rescue contingencies.

### *Benefits*

In FY 2006, funds were used to:

- Provide for the evacuation and related support of Americans abroad including USG employees and their families. Evacuations due to natural disaster occurred in Havana, Cuba (hurricane). An evacuation due to threats of terrorism occurred in Georgetown, Guyana, where a State Department employee and family members were evacuated due to a specific threat. Evacuations due to civil unrest occurred in Kathmandu, Nepal; N'Djamena, Chad; Dili, East Timor; Damascus, Syria; and in Lebanon, which was the largest USG-assisted departure operation of overseas American citizens in nearly four decades.
- Provide for rewards payments totaling \$10.6 million; publicize the rewards program overseas for information leading to the apprehension, effective prosecution, and/or punishment of individuals responsible for international terrorist activities; fund rewards for information leading to the prevention of acts of international terrorism outside the territorial jurisdiction of the United States against U.S. citizens or property; and increase the publicity campaign in Colombia and Mexico targeting major narcotics traffickers.

# REPATRIATION LOANS PROGRAM ACCOUNT

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>1,302</b>	<b>1,285</b>	<b>1,285</b>

FY 2006 Actual reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 request will allow the Department of State to subsidize and administer the Repatriation Loans program consistent with the Credit Reform Act of 1990 and at a funding level consistent with historical requirements. This activity is funded as a direct loan program in accordance with the Credit Reform Act. The Department of State receives a limited level of financing for direct loans from the Department of the Treasury in a separate financing account, disburses these funds to U.S. citizens as needed abroad, and repays the Treasury as the repatriation loans are collected from the public. In recent years the Department has made significant improvements in defaulted loan collections resulting in a 20% decrease in the subsidy costs to the U.S. Government.

FY 2008 subsidy request of \$678,000 (60.22%) will provide a loan level of \$1,125,871. The subsidy appropriation represents the estimated costs to the U.S. Government of loans that are unlikely to be repaid. For FY 2008, the Department is also requesting continuation of authority within the Emergencies in the Diplomatic and Consular Service account to allow the transfer of up to \$1 million into this account if loan requirements exceed the requested level.

The FY 2008 administration request of \$607,000 will provide for operation and management of the loan program consistent with the Credit Reform Act. The Department is requesting continuation of authority to transfer the administration portion of this request to the Diplomatic and Consular Programs account. This transfer makes administration of the program more efficient by simplifying financial planning and accounting procedures.

## *Program Description*

When U.S. citizens abroad become destitute and are unable to fund their return home, they may enlist the assistance of the U.S. Embassy or Consulate in the country in which they are stranded. Consular officers first attempt to obtain funds for the person in need from family members and/or friends in the United States. If this cannot be done, the post is authorized in certain circumstances to purchase transportation for direct return to the United States and to provide food and lodging for the period prior to the next available flight, via U.S. carrier whenever possible. The recipient is required to sign a promissory note for the amount of the loan. The Department of State actively seeks repayment of these loans. To encourage repayment, the recipient's passport is restricted at the time the loan is granted to allow return to the United States only. This restriction remains in effect until the loan is repaid.

## REPATRIATION LOANS PROGRAM ACCOUNT

### *Benefits*

The Repatriation Loan Program directly benefits American citizens abroad by providing them with the means to return to the United States if destitute or otherwise in need of such assistance. The program also serves U.S. foreign policy interests where exigent circumstances require an individual's return to the U.S. to respect host country laws or preserve public safety. In 2006, 835 loans were processed overseas for destitute Americans.

# PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Agriculture Services	525	425	441
Commercial Services	1,687	1,220	1,265
Consular Services	4,323	2,600	2,696
Economic Services	1,744	1,243	1,289
Other Services	7,763	6,860	7,114
Public Affairs Services	1,836	1,822	1,890
Washington Headquarters	1,621	1,656	1,656
<b>Appropriation Total</b>	<b>19,499</b>	<b>15,826</b>	<b>16,351</b>

FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 request will fund a contractual agreement between the American Institute in Taiwan (AIT) and the Department of State in accordance with the Taiwan Relations Act, Public Law 96-8. This request of \$16,351,000 assumes operations will continue at the current FY 2007 level.

## **Funding From Other Sources**

The American Institute in Taiwan, a nonprofit corporation, has historically received reimbursement for services performed. In FY 2008, AIT anticipates collecting a total of \$32 million. This includes approximately \$18 million in visa processing fees and \$14 million in reimbursements from other agency contracts as well as compensation associated with supporting the Foreign Service Institute's Chinese Language School. Of the estimated \$18 million in visa processing fees, \$16.475 million will be needed to cover direct and indirect operating expenses in addition to the appropriation provided. The remaining visa processing fees will be set aside for the capital projects account and consular service upgrades.

## *Program Description*

Since its inception in 1979 under the Taiwan Relations Act (Public Law 96-8), the American Institute in Taiwan has been committed to strengthening relations between the people of the United States and the people of Taiwan. Under the Taiwan Relations Act, the USG conducts unofficial relations with the people of Taiwan through AIT. AIT was established to carry out the Act by providing economic and commercial services, cultural and information programs, and travel services for Americans and the people on Taiwan. To support U.S. interests in Taiwan, AIT promotes U.S. exports; participates in cultural, scientific, and information exchange programs; analyzes and reports on political and economic events of importance to the

## PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

U.S. and Taiwan; provides consular services (non-immigrant, immigrant, and American citizen); and performs liaison functions on behalf of the Department of State and various USG agencies with their Taiwan counterpart organizations.

The Institute maintains an office in Taipei, a small Washington headquarters office, and a branch office in Kaohsiung that handles matters related to commercial promotion, consular services, cultural affairs, and the Container Security Initiative.

Pursuant to Section 6(a) of the Taiwan Relations Act, “Programs, transactions, and other relations conducted or carried out by the President or any agency of the United States Government with respect to Taiwan shall, in the manner and to the extent directed by the President, be conducted and carried out by or through the American Institute in Taiwan....” Under contract with the U.S. Department of State, AIT is reimbursed for the Department's share of salaries, benefits, rents, representation, and other expenses associated with operations in Taiwan and in the United States. The broad range of contractual responsibilities is described below:

- Economic Services includes reporting on economic developments in Taiwan, negotiations on trade barriers to U.S. products and services, resolution of trade disputes, and negotiations on other trade and investment policy matters. The primary areas covered in bilateral consultations and negotiations include general market access for goods and services such as telecommunications, pharmaceuticals, financial and investment services, and textiles and apparel; investment; intellectual property rights protection; and environmental issues.
- Commercial Services activities include a strong trade promotion program for U.S. exporters. Activities include one-on-one counseling on business conditions, the issuance of credit reports on Taiwanese companies, searches for representatives for U.S. business organizations, bulletins on specific export conditions, and market research on generic lines of business. AIT also serves the large resident U.S. business community in Taiwan.
- Consular Services functions include processing of immigrant and non-immigrant visas, notarial services, reports of births of Americans, interrogatories on behalf of Americans in legal processes, and passport services. AIT assists Americans in cases involving death, arrest, welfare and whereabouts, and voter registration.
- Public Affairs Services encompasses outreach to Taiwan's aggressive and influential media, the coordination of visitor programs to the U.S., presentations on American history, culture and society through exhibits and programs, contributions to the Foundation for Scholarly Exchange, and maintenance of an electronic library of English language materials and books.
- Agricultural Affairs identifies new trade opportunities, analyzes agriculture trade issues, assists U.S. agriculture exporters, and promotes the sale of American agricultural products and services.
- Other Services activities represent a diverse category of functions including: political reporting in a rapidly evolving democratic environment, support for the defense needs of Taiwan, cooperation to combat international drug trafficking, and administrative support for program activities.
- AIT's Washington headquarters carries out executive functions and acts as the liaison between various U.S. Government agencies and the Taiwan Economic and Cultural Representative Office (TECRO). In particular, the Washington office provides executive and administrative direction for AIT, financial oversight and contract administration of all agency agreements, and coordination of negotiations and agreements. In accordance with the AIT-TECRO Agreement on Privileges and Immunities, the Washington office also issues identity cards and tax exemption cards to TECRO employees and their dependents, and serves as the liaison between TECRO, the Department of State, and the Department of

## **PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN**

Homeland Security, Directorate of Border and Transportation Security regarding visas and adjustments of status.

### ***Benefits***

The activities of AIT strengthen commercial, cultural, and other relations between the people of the United States and the people on Taiwan, promote continued stability in the Taiwan Strait, and support U.S. global effects such as counter-terrorism, export controls, and human rights.



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# FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>131,700</b>	<b>125,000</b>	<b>122,500</b>

### *Justification of Request*

The request for this account represents the cost of sustaining adequate funding of the Foreign Service Retirement and Disability Fund (FSRDF). The FY 2008 request reflects the mandatory funding needs based on the annual evaluation of the FSRDF using current statistical data including Federal pay raise information.

### *Program Description*

The FSRDF includes the operations of two separate retirement systems, the Foreign Service Retirement and Disability System (FSRDS) and the Foreign Service Pension System (FSPS). The FSRDF was established to provide annuities to all eligible retired and disabled members of the Foreign Service (including those eligible for disability retirement), and certain eligible survivors and former spouses, who are enrolled in either of the two systems. The purpose of this appropriation is to maintain the required funding level of the FSRDS. This appropriation is the mandatory funding required, in addition to the other sources of funding mentioned below. The appropriation is one of several sources of income to the FSRDF.

Funding is maintained through:

- contributions by participants;
- government contributions;
- special government contributions, including this program;
- interest on investments; and
- voluntary contributions.

Payments to the FSRDF are authorized by sections 805 and 821 of the Foreign Service Act of 1980 (P.L. 96-465), as amended. Section 821 authorizes payments to be made in 30 annual installments to pay unfunded liability costs due to:

- new or liberalized benefits;
- new groups of beneficiaries; and
- salary increases on which benefits are computed.

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# INTERNATIONAL ORGANIZATIONS

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Contributions to International Organizations	1,151,317	1,122,318	1,354,400
Contributions for International Peacekeeping Activities	1,152,075	1,022,474	1,107,000
<b>Total, International Organizations</b>	<b>2,303,392</b>	<b>2,144,792</b>	<b>2,461,400</b>

FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

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# CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>1,151,317</b>	<b>1,122,318</b>	<b>1,354,400</b>

FY 2006 Actual reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

## *Justification of Request*

The Department's FY 2008 request provides for continued U.S. membership in forty-five international organizations. The Contributions to International Organizations (CIO) account is the source of funding for assessed contributions that the U.S. pays as a full participant in these organizations. U.S. participation includes serving on governing bodies that establish policies and oversee programs that impact international peace and security, trade, travel, telecommunications, navigation, postal service, health care, development of nuclear energy, and conservation of water and wildlife resources.

For most of the organizations funded through this account, the obligation to pay assessed contributions results from U.S. ratification of an international treaty or convention. Each treaty or convention brings nations together in a shared commitment to develop solutions to some of the world's most pressing problems, such as the elimination of chemical weapons and containment of avian influenza. Other nations contribute a large proportion of the financial resources that support these shared solutions. For all but a few organizations, the U.S. contributes no more than twenty-two percent of the organizations' assessed budgets.

Funding for the CIO account enables a substantial number of U.S. federal agencies to send delegations, participate in governing bodies, and otherwise take advantage of opportunities to promote U.S. goals and objectives at these organizations. The federal agencies that participate in these organizations include the Departments of Defense, Homeland Security, Treasury, Commerce, Agriculture, Transportation, Labor, and Health and Human Services. The U.S. private sector also has a substantial interest in the work that these organizations do abroad to promote international relations and commerce.

## *Program Description*

Among the forty-five organizations funded through the CIO account are the United Nations and its affiliated organizations, such as the International Atomic Energy Agency and the World Health Organization; Inter-American organizations such as the Organization of American States; regional organizations such as the North Atlantic Treaty Organization and the Organization for Economic Cooperation and Development; and other specialized international organizations such as the World Trade Organization and the Organization for the Prohibition of Chemical Weapons.

## CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Each of these organizations occupies a special niche in world affairs according to areas of expertise that are established by international agreement. Organizations funded through the CIO account are working to contain terrorism, create overseas trade opportunities, increase the safety of international travel, promote literacy in developing countries, and limit the spread of diseases such as SARS and avian influenza.

### *Benefits*

Participation in international organizations enables the U.S. to leverage other nations' expertise and financial contributions in pursuit of multilateral solutions to shared global problems such as terrorism. International organizations extend access to parts of the world where the U.S. lacks a significant presence. International organizations advance global commitments to free and fair trade, respect for human rights, peaceful uses of nuclear energy, and the destruction of chemical weapons stockpiles. International organizations provide the means for nations to work together to eliminate disease, secure airports and seaports, protect intellectual property rights, and maintain the world's postal and telecommunications networks.

Organizations funded through the CIO account achieve real results that promote U.S. strategic and economic interests abroad. Many sectors of the U.S. economy depend on international organizations for access to foreign markets and the reduction of trade barriers. U.S. companies depend on international organizations for vital information about the supply and demand of commodities such as rubber, cotton and coffee. U.S. citizens depend on international organizations for dispute resolution and the application of international law in areas such as child custody.

International organizations are advancing the Department's transformational diplomacy objectives by helping to transform developing and developed countries into democratic, well-governed states in every region of the world. Because international organizations leverage financial contributions from nations around the world, their impact can be significantly greater than that of an individual nation working unilaterally or bilaterally. Each organization funded through the CIO account directly supports at least one of the Department's transformational diplomacy objectives: Peace and Security, Governing Justly and Democratically, Investing in People, Economic Growth, and Humanitarian Assistance.

International organizations are advancing *Peace and Security* around the world.

- The North Atlantic Treaty Organization has deployed over 30,000 soldiers in the fight against terrorism in Afghanistan, and is providing training and logistical support to the armed forces of the Iraqi government.
- The Organization for the Prohibition of Chemical Weapons oversaw and verified the destruction of 2,000 metric tons of chemical warfare stockpiles in 2005 alone, depriving state and non-state actors of access to these dangerous materials.
- The United Nations has facilitated the removal of over 10,000 heavy weapons from combatants in Afghanistan and helped conclude the peace agreement that ended the decades-long, north-south conflict in Sudan.
- The International Atomic Energy Agency has monitored and reported Iranian noncompliance on the peaceful development and use of nuclear energy to the United Nations Security Council. The Security Council has demanded that Iran cease its pursuit of nuclear weapons capability.

## CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

- The International Civil Aviation Organization, the International Maritime Organization, and the Customs Cooperation Council conduct programs that improve security at airports and seaports in every region of the world.

International organizations are helping nations *Govern Justly and Democratically*.

- The United Nations Special Political Missions in Iraq and Afghanistan helped facilitate elections that enabled millions of previously disenfranchised citizens to vote in national and regional elections in those countries in 2005.
- The Organization of American States helped facilitate free and fair elections during 2006 in fourteen Latin American nations, including Bolivia, Colombia, Ecuador, Haiti and Peru.
- The International Labor Organization has promulgated child and forced labor standards that are applicable to each of its 179 member nations.
- The Organization for Economic Cooperation and Development implemented an Anti-Bribery Convention and Principles of Corporate Governance that promote integrity at corporations, financial institutions and markets around the world.
- The United Nations has established new human rights offices in Guatemala, Nepal, and Uganda, increasing the number of countries in which the UN has a human rights presence to forty.

International organizations are promoting global *Economic Growth* and creating export opportunities for U.S. manufacturers, farmers, ranchers, and service providers.

- The World Trade Organization facilitates an international trade framework that enabled U.S. exports of nearly \$1.3 trillion worth of goods and services in 2005.
- The Asia-Pacific Economic Cooperation forum has sponsored efforts to reduce trade barriers in the Asia-Pacific region, which accounts for approximately two-thirds of U.S. global trade.
- The Customs Cooperation Council provides a uniform global customs framework that facilitates the flow of goods across national borders.
- The International Labor Organization has sponsored small business and entrepreneurship programs that create opportunity and promote economic growth and prosperity in over eighty countries.

International organizations *Invest in People* by advancing health care, reducing the threat of disease, and promoting education around the world.

- The World Health Organization led the global effort to eradicate smallpox and was instrumental in containing SARS.
- The Food and Agriculture Organization and the World Organization for Animal Health are implementing a global strategy for controlling the spread of avian influenza (bird flu).
- The United Nations Educational, Scientific and Cultural Organization has implemented a teacher training program that has increased literacy and basic education in forty-six countries.



## CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

International organizations lead global efforts to provide *Humanitarian Assistance*.

- The World Meteorological Organization facilitates global sharing of weather data and forecasts, enabling the U.S. and other nations to prepare for catastrophic events such as Hurricane Katrina.
- The North Atlantic Treaty Organization deployed a rapid expeditionary force to assist with the delivery of aid to victims of the Pakistani earthquake.
- The Food and Agriculture Organization and International Tropical Timber Organization helped to restore agriculture and fisheries destroyed by the Indian Ocean tsunami.

### ***PART / Performance Evaluation***

For preparation of the FY 2008 budget, the Office of Management and Budget evaluated the Department's CIO account by drawing upon long-term and key annual performance goals with ambitious targets and timeframes developed for the Program Assessment Rating Tool (PART) review undertaken in CY 2006. The program was rated moderately effective and received excellent scores with regard to program purpose and design. The Department has responded to OMB's findings by revising its FY 2008 budget justification to include progress on critical U.S. foreign policy objectives at international organizations, and periodically determining whether sufficient progress has been made in meeting targets so that milestone-based measures can be converted to quantifiable measures, where appropriate.

# CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>United Nations and Affiliated Agencies</b>			
United Nations Regular Budget	438,909	422,762	495,778
United Nations Capital Master Plan	9,825	22,110	85,435
United Nations War Crimes Tribunal -Yugoslavia	16,769	17,476	19,128
United Nations War Crimes Tribunal - Rwanda	14,837	15,080	15,647
Food and Agriculture Organization	84,661	92,491	90,040
International Atomic Energy Agency	79,092	87,015	86,816
International Civil Aviation Organization	14,894	15,179	15,324
International Labor Organization	62,064	67,345	64,485
International Maritime Organization	1,571	1,682	1,605
International Telecommunication Union	7,746	7,920	7,549
UN Educational, Scientific and Cultural Organization	70,924	72,560	68,732
Universal Postal Union	1,710	1,754	1,651
World Health Organization	95,680	101,421	101,421
World Intellectual Property Organization	1,086	1,157	1,112
World Meteorological Organization	10,538	11,247	10,704
<b>Subtotal, United Nations and Affiliated Agencies</b>	<b>910,306</b>	<b>937,199</b>	<b>1,065,427</b>
<b>Inter-American Organizations</b>			
Organization of American States	59,396	56,595	58,228
Pan American Health Organization	56,609	56,609	56,609
Inter-American Institute for Cooperation on Agriculture	16,600	16,620	16,620
Pan American Institute of Geography and History	324	324	324
<b>Subtotal, Inter-American Organizations</b>	<b>132,929</b>	<b>130,148</b>	<b>131,781</b>
<b>Regional Organizations</b>			
Organization for Economic Cooperation and Development	87,179	95,099	91,488
North Atlantic Treaty Organization	50,700	56,007	59,011
NATO Parliamentary Assembly	883	987	985
The Pacific Community	1,525	1,515	1,442
Asia-Pacific Economic Cooperation	601	696	744
Colombo Plan Council for Technical Cooperation	15	15	15
<b>Subtotal, Regional Organizations</b>	<b>140,903</b>	<b>154,319</b>	<b>153,685</b>

# CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Other International Organizations</b>			
Organization for the Prohibition of Chemical Weapons	23,618	25,824	23,345
World Trade Organization	20,827	22,106	21,081
Customs Cooperation Council	4,025	4,459	4,402
Hague Conference on Private International Law	208	223	213
International Agency for Research on Cancer	1,865	1,862	1,839
International Bureau for the Publication of Customs Tariffs	133	133	130
International Bureau of the Permanent Court of Arbitration	83	86	83
International Bureau of Weights and Measures	1,217	1,266	1,169
International Center for the Study of Preservation and Restoration of Cultural Property	998	1,038	978
International Coffee Organization	523	569	584
International Copper Study Group	51	66	50
International Cotton Advisory Committee	396	440	488
International Grains Council	564	573	553
International Hydrographic Organization	120	126	143
International Institute for the Unification of Private Law	146	163	161
International Lead and Zinc Study Group	48	50	48
International Organization of Legal Metrology	137	146	139
International Rubber Study Group	124	125	117
International Seed Testing Association	10	10	9
International Tropical Timber Organization	197	246	258
International Union for the Conservation of Nature and Natural Resources	362	375	361
International Union for the Protection of New Varieties of Plants	215	220	217
World Organization for Animal Health	141	148	139
<b>Subtotal, Other International Organizations</b>	<b>56,008</b>	<b>60,254</b>	<b>56,507</b>
<b>Total Requirements</b>	<b>1,240,146</b>	<b>1,281,920</b>	<b>1,407,400</b>
FY 2005 Exchange Rate and Other Changes	78,797		
FY 2006 Exchange Rate and Other Changes	(167,626)		
FY 2007 Exchange Rate and Other Changes		(159,602)	
Additional FY 2008 Funding			(53,000)
<b>Total, Contributions to International Organizations</b>	<b>1,151,317</b>	<b>1,122,318</b>	<b>1,354,400</b>

# CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>1,152,075</b>	<b>1,022,474</b>	<b>1,107,000</b>

FY 2006 Actual reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2006 Actual includes \$129.8 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234).

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 request of \$1,107,000,000 funds the U.S. share of projected expenses of United Nations (UN) peacekeeping operations. The Department requests that 15% of FY 2008 funds be appropriated as “two-year funds” due to the demonstrated unpredictability of the requirements in this account from year to year and the nature of multi-year operations that have mandates overlapping the U.S. fiscal year.

## *Program Description*

This appropriation will fund the U.S. assessed share of UN peacekeeping operations as follows:

- **UN Disengagement Observer Force** (UNDOF, initial UN mandate in May 1974) – acts as a buffer between Syria and Israeli troops in the strategic Golan Heights area.
- **UN Interim Force in Lebanon** (UNIFIL, initial UN mandate in March 1978) – (1) restores international peace and security in southern Lebanon; and (2) restores Lebanese sovereignty in the south of Lebanon.
- **UN Mission in Western Sahara** (MINURSO, initial UN mandate in April 1991) – monitors the cease-fire and assists in conducting a referendum on the future status of the Western Sahara. The request assumes a significant reduction in Mission size in FY 2008 through careful review of the mandate and force requirements.
- **UN Mission in Kosovo** (UNMIK, initial UN mandate in June 1999) – provides an interim administration for Kosovo while establishing and overseeing the development of provisional, democratic and self-governing institutions in the province. UNMIK also facilitates a safe environment for all people in Kosovo. The budget request reflects an assumption of a scaling back of the mission as Kosovo assumes increased responsibilities.
- **U.N. Peacekeeping Force in Cyprus** (UNFICYP initial UN mandate in March 1964) The UN Security Council mandated UNFICYP to end violence between the Greek Cypriot and Turkish Cypriot communities. Since the de facto division of the island in 1974, UNFICYP has served as a buffer force between Turkish and Turkish Cypriot forces on one side of the zone and the Greek Cypriot National Guard on the other. UNFICYP has helped to prevent an outbreak of conflict on Cyprus that could

## CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

provoke Turkey and Greece, two U.S. NATO Allies, into hostilities, thus endangering both peace in the immediate area and the stability of the greater Balkans-Aegean region. The governments of Greece and Cyprus pay approximately one-half of the UNFICYP's costs. The request is based on substantial downsizing of the Mission in FY 2008.

- **UN Observer Mission in Georgia** (UNOMIG, initial UN mandate in August 1993) – monitors compliance with the cease-fire agreement reached between the Republic of Georgia and Abkhaz separatist forces on May 14, 1994. The request assumes a significant reduction in Mission size in FY 2008 through careful review of the mandate and force requirements.
- **War Crimes Tribunals in Yugoslavia and Rwanda** (established for Yugoslavia in February 1993 and for Rwanda in November 1994) – investigate and prosecute war crimes in these areas. Half of each of these tribunals is funded by a special assessment using the UN regular budget scale of assessments, which is paid out of the Contributions to International Organizations account, and the other half is funded using the UN peacekeeping scale, which is paid out of this account.
- **UN Operations in the Democratic Republic of Congo** (MONUC, initial UN mandate in August 1999) – covers expenses of UN activities in the Democratic Republic of Congo (DROC) in support of the Lusaka accords goals of withdrawal of foreign forces and the disarmament and demobilization of armed rebel groups, and conduct free and fair elections. The request assumes a significant reduction in Mission size in FY 2008 through careful review of the mandate and force requirements.
- **UN Mission in Ethiopia/Eritrea** (UNMEE, initial UN mandate July 31, 2000) – In support of the cessation of hostilities and the peace agreements signed by Ethiopia and Eritrea in 2000, and following the Boundary Commission determination on the delimitation of the border areas, UNMEE will observe and provide technical support for the demarcation of the disputed areas. The request assumes a significant reduction in Mission size in FY 2008 through careful review of the mandate and force requirements.
- **UN Mission to Liberia** (UNMIL, established September 19, 2003) - supports the implementation of the ceasefire agreement and, in conjunction with the ECOWAS and other international partners, assists the Government of Liberia in restructuring and reestablishing national authority throughout the country, supports humanitarian and human rights assistance, and supports security reform. UNMIL is beginning a draw down as the new government rebuilds its military and police following the November 2005 national elections.
- **Sudan/Darfur Operations** (UNMIS, established March 24, 2005) - supports implementation of the Comprehensive Peace Agreement signed by the parties; facilitates and coordinates, within its capabilities and in its areas of deployment, the voluntary return of refugees and internally displaced persons and humanitarian assistance; assists the parties in the mine action sector; contributes towards international efforts to protect and promote human rights in Sudan, and coordinates international efforts towards the protection of civilians, with particular attention to vulnerable groups, including internally displaced persons, returning refugees, and women and children.
- **UN Operation in Cote d'Ivoire** (UNOCI, initial UN mandate in February 2004) - monitors the cease-fire and assists Cote d'Ivoire's transitional power-sharing government in disarming and repatriating the former combatants; maintains liaison with the Ivorian armed forces; helps the government monitor the border; facilitates the free flow of people, goods and humanitarian assistance; and assists the government in preparing for elections in 2006. Restoring stability to Cote d'Ivoire is a critical element in restoring peace to the entire West African region. The request assumes a significant reduction in Mission size in FY 2008 through careful review of the mandate and force requirements.
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## **CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES**

- **UN Mission in Haiti** (MINUSTAH, established April 30, 2004; replaced the Multinational Interim Force (MIF) on July 1, 2004) - assists in the reestablishment of Haiti's police functions, coordinates with other International Organizations in providing assistance in Haiti, assists in organizing Haitian elections, and helps create an environment where the Haitian political process and economic recovery can take hold. The request assumes a significant reduction in Mission size in FY 2008 through careful review of the mandate and force requirements.
- **UN Mission in Timor Leste** (UNMIT, established August 2006) - The mission is intended to provide stability and policing capacity and to support preparations for 2007 presidential and parliamentary elections. The request assumes a significant reduction in Mission size in FY 2008 through careful review of the mandate and force requirements..

### **Completed Missions**

**UN Mission in Burundi** (ONUB, created May 21, 2004) - The peacekeeping responsibilities of the African Mission in Burundi that were transferred to ONUB in June 2005 include disarmament, demobilization and reintegration, elections, human rights, and demining. Elections were conducted and the transition to the new government was completed with installation of the new President on August 26, 2005. ONUB chairs the Joint Ceasefire Commission, which brings together the Burundian Armed Forces and various armed groups to oversee implementation of the ceasefire accords and discuss army reform. The budget request reflects the fact that the mission closed on December 31, 2006.

### ***Benefits***

United Nations peacekeeping operations can be an effective means of containing conflict and resolving disputes in support of U.S. national interests. Acting in this way to support U.S. interests through the UN allows the U.S. to share the risks and costs of dealing with international crises with other nations. Deployment of UN peacekeeping operations, and selective U.S. participation in them, is an important tool for advancing U.S. interests and leadership.

Peacekeeping:

- separates adversaries;
- maintains cease-fires;
- facilitates the delivery of humanitarian relief;
- helps create conditions where refugees and displaced persons can return home;
- constrains the forces of opposing parties;
- facilitates peace talks; and
- creates conditions conducive to political reconciliation and the conduct of free elections.

In these and other ways, peacekeeping operations can help nurture new democracies, lower the global tide of refugees, reduce the likelihood of unsanctioned interventions, and prevent small conflicts from growing into larger wars. These results directly serve the national interests of the United States.

# CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
U.N. Disengagement Observer Force on the Golan Heights (UNDOF)	16,220	11,241	8,673
U.N. Interim Force in Lebanon (UNIFIL)	34,473	217,316	167,667
U.N. Mission for the Referendum in Western Sahara (MINURSO)	15,274	11,749	9,065
U.N. Mission in Kosovo (UNMIK)	27,588	80,350	19,288
U.N. Peacekeeping Force in Cyprus (UNFICYP)	10,037	6,570	5,069
U.N. Observer Mission in Georgia (UNOMIG)	11,055	9,416	7,265
War Crimes Tribunal - Yugoslavia (UNICTY)	20,346	25,075	19,346
War Crimes Tribunal - Rwanda (UNICTR)	18,002	19,228	14,835
U.N. Operations in the Democratic Republic of the Congo (MONUC)	280,194	257,550	168,903
U.N. Mission in Ethiopia and Eritrea (UNMEE)	47,706	39,296	23,146
Burundi Operation (ONUB)	97,301	0	0
U.N. Mission in Liberia (UNMIL)	77,170	168,020	110,188
U.N. Mission in Sudan (UNMIS)	254,039	381,673	391,070
U.N. Operation in Cote d'Ivoire (UNOCI)	138,469	84,225	55,242
U.N. Mission in Haiti (MINUSTAH)	93,680	140,030	94,889
U.N. Mission in Timor Leste (UNMIT)	0	16,000	12,345
<b>Annual Requirements</b>	<b>1,141,554</b>	<b>1,467,739</b>	<b>1,107,000</b>
FY 2006 Supplemental	129,800	(129,800)	0
FY 2006 Adjustment	(119,279)	0	0
FY 2007 Adjustment	0	(115,465)	0
FY 2007 Additional Requirements	0	(200,000)	0
<b>Total, Contributions for International Peacekeeping Activities</b>	<b>1,152,075</b>	<b>1,022,474</b>	<b>1,107,000</b>

# INTERNATIONAL COMMISSIONS

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>International Boundary and Water Commission</b>	<b>32,874</b>	<b>34,273</b>	<b>102,155</b>
Salaries & Expenses	27,642	27,642	30,430
Construction	5,232	6,631	71,725
<b>International Fisheries Commissions</b>	<b>23,693</b>	<b>20,651</b>	<b>21,000</b>
<b>American Sections</b>	<b>9,911</b>	<b>9,587</b>	<b>10,395</b>
Border Environment Cooperation Commission	2,083	2,175	2,100
International Joint Commission	6,417	6,127	6,765
International Boundary Commission	1,411	1,285	1,530
<b>Total, International Commissions</b>	<b>66,478</b>	<b>64,511</b>	<b>133,550</b>

All FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

All FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.



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# INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES AND MEXICO - SALARIES AND EXPENSES

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Administration	5,476	5,476	5,799
Engineering	2,382	2,382	2,451
Operations and Maintenance	19,784	19,784	22,180
<b>Appropriation Total</b>	<b>27,642</b>	<b>27,642</b>	<b>30,430</b>

FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 request provides \$30,430,000 for Administration, Engineering, and Operations & Maintenance (O&M) activities for the U.S. Section of the International Boundary and Water Commission. This request includes wage increases of \$700,000 and \$1,277,000 to fund actual increases in the operation and maintenance of two international wastewater treatment plants, and inflation increases for agency-wide operations.

## *Program Description*

The Commission manages the execution of the USIBWC mission, which is to exercise U.S. rights and obligations assumed under U.S.-Mexico boundary and water treaties and related agreements in an economically and sound manner and to develop binational solutions to water and boundary problems arising along the 1,952 miles of border between the U.S. and Mexico, which encompasses the four U.S. states of Texas, New Mexico, Arizona, and California and the six Mexican states of Tamaulipas, Nuevo Leon, Coahuila, Chihuahua, Sonora, and Baja California, and to resolve current and anticipated boundary and water issues between the U.S. and Mexico in the best interest of the American public.

The IBWC is made up of the United States Section (USIBWC), headquartered in El Paso, Texas, and the Mexican Section (CILA), headquartered in Ciudad Juarez, Chihuahua. Both Sections have field offices along the boundary. In accomplishing the IBWC's mission, the U.S. and Mexican Sections jointly exercise the provisions of existing treaties to improve the water quality of the Tijuana, Colorado, and Rio Grande rivers and resolve border sanitation problems. The Commission also applies the provisions of these treaties and agreements to equitably distribute the boundary rivers water to both countries and for the operations of: international flood control projects along the boundary rivers, international reservoirs for conservation of Rio Grande water and for hydroelectric generation, and international wastewater treatment plants. The IBWC also has the responsibility to establish and maintain the boundary in the limitrophe section of the international rivers and demarcate the land boundary. Most projects are developed jointly by the USIBWC and CILA, requiring interdependence for full implementation of those projects.

## **INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES AND MEXICO - SALARIES AND EXPENSES**

In addition, the Commission will:

- Implement joint water quality programs for the observation of the biological, mineral, chemical, and toxic quality of international river waters;
- Ensure compliance with National Pollution Discharge Elimination System (NPDES) permits for the Nogales International Wastewater Treatment Plant, located in Nogales, Arizona, and the South Bay International Wastewater Treatment Plant, located in San Ysidro, California;
- Design water conveyance structures for the new higher capacity American Canal, including box culverts, wasteways, and transition structures; and design operation and maintenance facilities for flood control, hydrologic, groundwater, sanitation (water quality), and boundary demarcation and preservation projects;
- Conduct various planning (pre-design) and environmental studies to address a variety of border issues, including surveys, environmental investigations, water quality, border sanitation and boundary preservation studies and other small-scale studies required prior to design and construction, and
- Investigate and report on the most feasible measures for solving border sanitation problems along the U.S.-Mexico border.

### ***Benefits***

The work of the IBWC facilitates the solution of international boundary and water problems, which benefits populations on both sides of the boundary and improves relations between the two countries. Particular emphasis is placed on the resolution of critical environmental issues.

### ***PART / Performance Evaluation***

The USIBWC participated in its first review using the Program Assessment Rating Tool (PART), as required and as scheduled by the Office of Management and Budget (OMB), and received a rating of “Effective.” The USIBWC strongly supports the President’s Management Agenda (PMA) and three of the Department’s performance goals – close, strong and effective U.S. ties with allies, friends, partners and regional organizations; the containment or resolution of existing and emergency regional conflicts; and the development of partnerships, initiatives, and international treaties and agreements that protect the environment and promote efficient energy use and resource management.

The USIBWC has made significant progress in the accomplishment of the PMA government-wide initiatives. The USIBWC is currently evaluating its organization and functional requirements, and identifying areas that can be improved. USIBWC will develop a human capital management plan for agency positions in accordance with Circular A-76, and will improve the cost accounting system to track all financial data against associated project phases and strategic goals. The USIBWC has made significant strides in electronic government by installing and implementing an agency-wide electronic travel processing system.

The USIBWC prepared a new Strategic Plan for FY 2007 to FY 2011, including long-range performance goals. In accordance with the PMA and the new Strategic Plan, the USIBWC will re-evaluate its priorities and revise/update its long-range work plans for each program.

# INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Boundary-Wide Program</b>	<b>1,197</b>	<b>850</b>	<b>175</b>
Facilities Renovation	828	575	175
Heavy Equipment Replacement	369	275	0
<b>Water Quantity Program</b>	<b>3,636</b>	<b>4,781</b>	<b>5,550</b>
Rio Grande Canalization	249	250	0
Rio Grande Flood Control System Rehabilitation	2,590	3,831	5,000
Safety of Dams Rehabilitation	598	550	550
Colorado River Boundary and Capacity Preservation	199	150	0
<b>Water Quality Program</b>	<b>399</b>	<b>1,000</b>	<b>66,000</b>
Secondary Treatment of Tijuana Sewage	399	1,000	66,000
<b>Appropriation Total</b>	<b>5,232</b>	<b>6,631</b>	<b>71,725</b>

FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 budget request of \$71,725,000 will support flood control plans to rehabilitate the Lower Rio Grande Flood Control system and the Safety of Dams Rehabilitation Program. The request includes also funding for the construction of secondary sewage treatment facilities at the South Bay International Wastewater Treatment Plant.

## *Program Description*

The USIBWC will continue to carry out construction and rehabilitation projects related to water quality/sanitation, infrastructure security, flood control, distribution and deliveries of international waters, and boundary demarcation. These projects are organized into three program groups: Boundary-wide, Water Quantity, and Water Quality. In this endeavor, the USIBWC will explore best and innovative practices from both the private and other public sectors. The FY 2008 funding request for the construction activities are as follows:

# INTERNATIONAL BOUNDARY AND WATER COMMISSION

## UNITED STATES - CONSTRUCTION

### **Boundary-Wide Program (\$175,000)**

**Facilities Renovation - \$175,000:** Originally funded in FY 1992, this project will continue a multi-year program to renovate and modernize deteriorated USIBWC facilities along the U.S.-Mexico border region to current industry standards. These facilities, most of which were constructed between 1930 and 1950, require major rehabilitation work to meet OSHA safety standards, current environmental laws, and to provide more efficient, effective and secure working environments. The project consists of structural, electrical and mechanical improvements as well as renovations necessary for compliance with environmental, occupational safety and health, handicap, and other regulatory requirements. The FY 2008 request will be used to replace the high service water pumps at the Falcon Water Treatment Plant for compliance with new safe drinking water standards implemented by the State of Texas.

### **Water Quantity Program (\$5,550,000)**

**Rio Grande Flood Control System Rehabilitation - \$5,000,000:** This project, which started in FY 2001, will continue a multi-year effort to evaluate and rehabilitate the Rio Grande Flood Control System along the international segment of the river, downstream of the Rio Grande Canalization Project. The project work includes engineering evaluation of approximately 380 miles of the levee system, rehabilitation of the inadequate levees, replacement of the failed Riverside diversion dam, preservation of the river channel and flood plain, inundation mapping, and aerial boundary mapping and demarcation efforts along the Rio Grande. The USIBWC will utilize the FY 2008 request and anticipated carryover to fund the construction of the first phase of flood control improvements on the Hidalgo Levee (3.3 miles), which is in addition to the one mile of levee raising performed in FY 2005 and FY 2006 during construction of the Hidalgo Hike and Bike Trail. The request will also provide for the design of flood control levee improvements in the Lower Rio Grande Valley (LRGV) along the Rio Grande from Lateral A to Donna Pump (levee forks into two), Donna Pump to Retamal Dam, and Donna Pump to Brownsville.

**Safety of Dams Rehabilitation - \$550,000:** Originally funded in FY 2001, this project will continue a multi-year effort for the rehabilitation and proper operation of all USIBWC dams, as recommended by the Joint Technical Advisors of the Federal Safety of Dams Program. The USIBWC is solely responsible for operation and maintenance of two diversion dams on the Rio Grande (American and International), and jointly responsible for four international dams (Amistad, Falcon, Anzalduas, and Retamal). These dams provide for distribution of the Rio Grande waters between the U.S. and Mexico as well as for the conservation, flood control, water storage, power generation, and regulation of the flow of the river, pursuant to the 1944 Water Treaty. The FY 2008 request will fund the painting of hoist equipment and all weather expose equipment, and upgrade the hydraulic system for Head Gate Penstock No. 5 at Amistad Dam. At the American Dam, the USIBWC will refurbish and/or replacement of Gates No. 1 (if not performed in FY 2007), 2, 3, and 4 of 13. The USIBWC will also test and replace, as needed, the spillway gate cables (as needed), and upgrade the dam roadway lights at Falcon Dam. Finally, FY 2008 funds will be used to perform an underwater inspection of the foundation and stilling basin at Anzalduas Dam.

### **Water Quality Program (\$66,000,000)**

**Secondary Treatment of Tijuana Sewage - \$66,000,000:** The project will provide for secondary treatment of Tijuana sewage as mandated by Public Law 106-457, "The Tijuana River Estuary and Beach Cleanup Act of 2000," amended by Public Law 108-425. The Public Law authorizes the USIBWC to take appropriate actions to comprehensively address the treatment of sewage emanating from the Tijuana River area, Mexico that flows untreated into the United States causing significant adverse public health and environmental impacts. The USIBWC is operating under a Development Agreement to pursue a public-

## **INTERNATIONAL BOUNDARY AND WATER COMMISSION UNITED STATES - CONSTRUCTION**

private partnership to provide secondary treatment of Tijuana sewage in Mexico through a lease/contract. However, the Administration believes that upgrading the existing South Bay International Wastewater Treatment Plant (SBIWTP) in San Diego, California to U.S. secondary standards is more efficient and less expensive than the costly lease and will provide for an average flow of 25 mgd and handle peak flows of 50 mgd. However, if milestones for the lease effort are met by May 2, 2007, the FY 2008 request includes a proviso that \$3 million may be transferred to the Salaries and Expenses account to fund the first month of the lease/contract.

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# INTERNATIONAL FISHERIES COMMISSIONS

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Great Lakes Fishery Commission (GLFC)	14,677	12,140	12,140
Inter-American Tropical Tuna Commission (IATTC)	1,938	1,800	1,800
International Pacific Halibut Commission (IPHC)	2,948	2,300	2,300
Other Marine Conservation Organizations	1,430	1,611	1,711
Pacific Salmon Commission (PSC)	2,700	2,800	3,049
<b>Appropriation Total</b>	<b>23,693</b>	<b>20,651</b>	<b>21,000</b>

FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

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## *Justification of Request*

The FY 2008 request provides \$21,000,000 for U.S. support for the International Fisheries Commissions.

This request includes:

- \$12,140,000 for the Great Lakes Fishery Commission and \$2,300,000 for the International Pacific Halibut Commission, to support the core functions of these two commissions.
- \$1,800,000 to pay the U.S. share of annual treaty assessments to the Inter-American Tropical Tuna Commission.
- \$1,711,000 to pay the U.S. share of annual treaty assessments and program expenses of the 12 other commissions and activities included under this appropriation, including a \$100,000 increase to accommodate higher assessments and a partial repayment of arrears incurred in FY 2005 and FY 2006.
- \$3,049,000 for the Pacific Salmon Commission, which includes a \$249,000 increase to fund negotiations for the key Pacific Salmon Treaty annexes that expire in 2008.

## *Program Description*

The International Fisheries Commissions appropriation provides for:

- The treaty-mandated U.S. share of operating expenses of ten international fisheries commissions and organizations, one sea turtle convention, the International Whaling Commission, two international marine science organizations, and the Antarctic Treaty;
- Travel expenses of U.S. Commissioners and their advisors; and
- Compensation payments to non-government employees of the Pacific Salmon Commission for days actually worked as U.S. Commissioners, panel members, advisors, and/or alternates.



## INTERNATIONAL FISHERIES COMMISSIONS

These organizations facilitate international cooperation to achieve conservation of shared living marine resources and/or sustainable use of shared fish populations by:

- Coordinating scientific research into the size, health, and distribution of shared fish populations and other living marine resources, and evaluating the effects of fishing and environmental conditions on these resources;
- Recommending conservation and management measures to member governments based on scientific advice; and
- Where appropriate, allocating harvesting rights to member nations according to relevant criteria and consistent with approved conservation and management measures.

U.S. leadership in these organizations secures and maintains access to a fair share of international fisheries resources for U.S. commercial and recreational fishers, protects vulnerable marine species, strengthens the well-being of coastal communities, and advances key U.S. interests such as regional economic stability and protection of the global marine environment.

### ***Benefits***

Membership in these organizations produces the following benefits to the United States:

- Management and conservation of commercial and recreational fisheries that generate income over \$12 billion annually to the U.S. economy;
- Continuation of efforts to eradicate sea lampreys in the Great Lakes and their tributaries to allow depleted fish stocks to rebuild;
- Assurance that U.S. fishermen have the opportunity to harvest an equitable share of common fish resources;
- Protection against the depletion of fishery resources and degradation of the marine and Antarctic environment;
- Assurance of the protection of whale stocks through the International Whaling Commission;
- Peaceful uses of the Antarctic region, including marine protected areas;
- Conservation of vulnerable marine species such as sea turtles and dolphins; and
- Fora for discussion of problems of mutual interest among the United States and other fishing nations.

### ***PART / Performance Evaluation***

The International Fisheries Commissions underwent initial Program Assessment Rating Tool (PART) analysis by the Office of Management and Budget (OMB) in FY 2004 for the FY 2006 budget. The review found the program planning, management, results, and accountability to be “adequate.” The review showed that each commission has ambitious short- and long-term measures (including three efficiency measures), which have been met or exceeded, for example:

- The number of multilateral regional fisheries management organizations implementing comprehensive schemes to improve compliance with conservation and management measures by both members and non-members; and
- Depleted stocks of living marine resources rebuild to healthy levels through coordinated, science-based management.

# INTERNATIONAL FISHERIES COMMISSIONS

## Other Marine Conservation Organizations

### *Request by Commission*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Antarctic Treaty	33	50	35
Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)	81	90	90
Expenses of the U.S. Commissioners	120	120	115
International Commission for the Conservation of Atlantic Tunas (ICCAT)	242	260	251
International Council for the Exploration of the Sea (ICES)	182	200	200
International Sea Turtle Conservation Programs	120	90	100
International Whaling Commission (IWC)	160	170	260
North Atlantic Salmon Conservation Organization (NASCO)	38	45	45
North Pacific Anadromous Fish Commission (NPAFC)	125	125	125
North Pacific Marine Science Organization (PICES)	89	90	90
Northwest Atlantic Fisheries Organization (NAFO)	50	121	150
Western and Central Pacific Fisheries Commission (WCPFC)	190	250	250
<b>Other Marine Conservation Organizations Total</b>	<b>1,430</b>	<b>1,611</b>	<b>1,711</b>

FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

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# BORDER ENVIRONMENT COOPERATION COMMISSION

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>2,083</b>	<b>2,175</b>	<b>2,100</b>

FY 2006 Actual reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

## *Justification of Request*

The Border Environment Cooperation Commission (BECC) is a bi-national institution, jointly funded by the United States and Mexico. The \$2,100,000 requests for FY 2008 is the U.S. contribution to the BECC. The FY 2008 contribution will enable the BECC to continue assisting border communities in the identification, development, design and certification of border environmental infrastructure projects that will be considered by lending or grant-making institutions, such as the North American Development Bank (NADB). This financial support will also enable the BECC to continue its public involvement and public outreach process.

Border communities have a great need not only for infrastructure but also for resources to develop that infrastructure properly. Through an effective partnership, the Environmental Protection Agency's (EPA) Project Development Assistance Program (PDAP) has provided \$41,200,000 in funds to the BECC that are used to provide technical assistance to communities to develop and design water and wastewater projects since the inception in of the program in FY 1997 through FY 2007. The remaining balance of this amount is \$6 million. Projects planned for 2006 and 2007 will entirely exhaust this outstanding balance in the coming fiscal year. A grant proposal will be submitted to the US Environmental Protection Agency (EPA) and if funded, will provide new funds starting in FY 2008.

Funding for development and design of solid waste projects comes from NADB and funding for development and design of other sector projects comes from BECC operating funds and the NADB. Other sector projects include, but are not limited to: hazardous waste, air quality, public transportation, clean and efficient energy, municipal planning and development, water conservation, water and wastewater hookups, and waste reduction and recycling.

## *Program Description*

Established and authorized under a side agreement to the North American Free Trade Agreement (NAFTA), the BECC's central objective is to assist states, local communities, private industry, and non-governmental organizations in developing effective solutions to environmental problems along the U.S.-Mexico border. The geographical area includes 100 km in the U.S and 300 km in Mexico. The BECC provides technical and financial planning assistance and certifies environmental infrastructure projects.

## **BORDER ENVIRONMENT COOPERATION COMMISSION**

The BECC assists states, localities, and private investors that propose environmental infrastructure projects by providing technical support--such as engineering analysis, project development and design, financial feasibility studies, community participation, environmental assessment and sustainable development--to border communities seeking to develop environmental infrastructure projects. In addition, the BECC mobilizes the resources from U.S. and Mexican environmental agencies and other sources, and provides access to the resources of the NADB. Under the BECC's public participation program, the BECC notifies the public about specific projects and receives comments from affected communities to ensure extensive public involvement and support in the policies and decisions of the Commission.

The BECC expects to certify approximately 14 projects in FY 2007 with an estimated value of \$395 million. The process of identifying potential new projects and developing these projects has matured into a comprehensive system well coordinated and integrated with the NADB and federal agencies in both countries.

In FY 2007 and FY 2008 the BECC anticipates it will receive approximately 70 applications that satisfy the BECC basic criteria (a) location within the designated geographical area, (b) solving an environmental or human health issue, and (c) constituting a water, wastewater, solid waste, or new sector projects. BECC's mission continues to be the improvement of quality of life for the more than 22.3 million residents residing within the designated geographical area.

BECC is governed by a binational Board of Directors, composed of ten members (five from the U.S. and five from Mexico), representing federal, state and civil society on the border. Members of the Board of Directors are appointed by the President of the United States and the Secretariat of the Environment and Natural Resources for Mexico.

### ***Benefits***

BECC's benefits include:

- Assistance for states and localities and other public entities and private investors in:
  - Coordinating environmental infrastructure projects to address serious environmental degradation problems along the 2,000 mile U.S.-Mexico border;
  - Developing, implementing, and overseeing environmental infrastructure projects in the border region, including the development, design, and other technical aspects of such projects;
  - Analyzing the financial feasibility and/or the environmental and sustainable development aspects of environmental infrastructure projects in the border region;
  - Evaluating social and economic benefits of environmental infrastructure projects in the border region; and
  - Organizing, developing, and arranging public and private financing for environmental infrastructure projects in the border region.
- Certification of environmental infrastructure projects for financing by the NADB or other sources of funding;
- Innovative approaches to address common environmental infrastructure needs along the international border; and
- Forum for public input into critical decision making on the development and implementation of infrastructure projects.

# INTERNATIONAL JOINT COMMISSION

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Special & Technical Investigations by U.S. Geological Survey	573	590	608
U.S. Section	5,844	5,537	6,157
<b>Appropriation Total</b>	<b>6,417</b>	<b>6,127</b>	<b>6,765</b>

FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

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## *Justification of Request*

The FY 2008 request of \$6,765,000 supports wage and price increases for the operations of the International Joint Commission (IJC) and ongoing special investigations by the U.S. Geological Survey. The requested increase also provides additional funds for the Upper Great Lakes Study examining the regulation of Lake Superior outflows and their water levels and flow impacts for Lakes Superior, Huron, Michigan and Erie and their connecting channels, including the St. Clair River (\$339,000). These additional funds partially address increases identified in the October 2005 Plan of Study and would provide a total of \$1,900,000 for the U.S. share of work spanning the second and third years of the five-year binational, jointly-funded study.

## *Program Description*

The IJC's mission is to develop and, where appropriate, administer programs to assist the governments of the United States and Canada to address water quality and quantity issues and air pollution problems along the U.S./Canadian border through the implementation of the provisions of the Boundary Waters Treaty of 1909 and related international agreements. In addition, the United States' share of the IJC's Great Lakes Regional Office (Windsor, Ontario), created by the U.S.-Canada Great Lakes Water Quality Agreement (GLWQA), is funded through this account.

During FY 2008, the IJC will continue to manage water levels and flows in the Great Lakes and other boundary waters to achieve an appropriate balance among the many significant interests dependent on or affected by water levels. The unpredictable increase in both drought and flooding events in border watersheds has placed greater demands on the resource, as illustrated by recent near-record low water levels in Lake Superior, and intensified the need for careful and well analyzed control of the outflows from regulated structures during high and low water periods.

The IJC plans to continue in FY 2008 its five-year study of the Upper Great Lakes, guided by the October 2005 Plan of Study, to assess changes in the St. Clair River and determine changes required to the Orders of Approval governing the regulation of outflows from Lake Superior into Lakes Michigan, Huron and Erie

## INTERNATIONAL JOINT COMMISSION

(affecting; Minnesota, Wisconsin, Michigan, Illinois, Indiana, Ohio, Pennsylvania, New York and Ontario.) The Orders governing the Upper Great Lakes are nearly a quarter-century old and do not fully consider the needs of interests that have grown in the region over time, environmental considerations and potential changes in timing and volume of water supplies. Significant variations in water levels have and will continue to create social and economic impacts. The study was initiated in FY 2006. Major Upper Lakes Study activities planned for FY 2008 include completing the evaluation of St. Clair River studies, developing outflow regulation plan options, and analyzing potential water level and flow change impacts on the environment and coast property. Ongoing two-way public communication and public outreach will continue to be an important aspect of the study.

The IJC will continue work on references (requests for IJC studies) issued by the two governments over the previous fiscal years and those expected to be issued during FY 2008 and will carry out its responsibilities pursuant to its Orders of Approval and under the Great Lakes Water Quality Agreement and Boundary Waters Treaty. These activities include:

- Continued implementation of decisions made in FY 2007 regarding changes to the operation of the Moses-Saunders Dam on the St. Lawrence River (New York, Ontario and Quebec) and monitoring effects of operations;
- Measured development and maturing of the international watershed initiative in the border region for the purpose of building local capacity to solve binational local and regional problems in watersheds that straddle the U.S.-Canada boundary, improving cross-border communication and promoting a watershed-based approach;
- Preparing for the initiation of the first year of a three-year study to assess changes needed to the regulation of outflows from Osoyoos Lake through Zosel Dam (British Columbia and Washington), in accordance with an August 2006 Plan of Study, prior to the expiration of the Order governing the current regulation regime;
- Assessing progress consistent with Lakewide Management Plans on cleaning up areas of concern designated under the Great Lakes Water Quality Agreement;
- Preparing a biennial report on the progress of the U.S. and Canadian Governments in carrying out the provisions of the Great Lakes Water Quality Agreement;
- Continuing to assist the governments in their comprehensive review of the Great Lakes Water Quality Agreement;
- Continuing to implement an integrated approach to water quality and water quantity responsibilities in the Souris River basin (North Dakota, Manitoba and Saskatchewan);
- Subject to the receipt of referrals from governments and provision of funds, conducting biological monitoring in the Devils Lake and greater Red River basin (Minnesota, North Dakota and Manitoba); considering a request for permission to construct an expanded Peace Bridge and Goat Island Bridge over the Niagara River (New York and Ontario); assessing the impacts of proposed coal-bed methane development in the Flathead River basin (Montana and British Columbia); evaluating transboundary impacts of operations by Teck Cominco along the Columbia River (Washington and British Columbia); and undertaking the assessment of a proposed mine on the Taku River in British Columbia that may pose a risk of substantial damage to the salmon fishery in Alaska; and

## INTERNATIONAL JOINT COMMISSION

- Supporting the U.S. Government's program to monitor water levels and flows in numerous boundary and transboundary rivers and to meet water apportionment requirements. This work is accomplished through an interagency agreement with the United States Geological Survey (USGS).

### *Benefits*

The quality and quantity of boundary waters, including the Great Lakes, are maintained and monitored to ensure that millions of Americans and Canadians will not lose the economic, recreational and aesthetic benefits that they now derive from these waters nor suffer from damages to the resource. The prompt and effective prevention and/or resolution of potential environmental or other disputes ensure the maintenance of the strong relationship that exists between Canada and the United States.

### *PART / Performance Evaluation*

The IJC's annual project agenda consists of scientific and technical studies performed at the request of the two national governments, some known in advance, others requested in the course of the fiscal year.

In addition to its ongoing responsibilities, the IJC worked in FY 2006 on two new references received from the governments of Canada and the United States. The first, to carry out a public consultation program concerning the governments' review of the Great Lakes Water Quality Agreement, was received by the IJC in June 2005 with a request to complete work by January 2006. The IJC convened 15 public meetings, held a four-day bilingual Web dialogue and compiled a synthesis and full record of the 4,000 comments received. The second, to carry out water quality responsibilities and carry out oversight of flood forecasting and flood operations in the Souris River basin, was received in June 2005. The IJC developed a new directive and work plan to address the newly assigned responsibilities, reconstituted its International Souris River Board to encompass water quality as well as water quantity expertise, and directed its reconstituted board to detail plans for flood-related responsibilities.

A long-term program goal is to ensure the IJC's ability to address existing and emerging issues to help governments prevent and resolve disputes, such that the IJC is able to respond to references issued by the two governments, and to address issues early and, as much as possible, at the local level so that more substantive transboundary controversies are averted and the need for formal references avoided. A short-term program goal toward this end is steady progress in ensuring scientific, technical and institutional capacity. The structure of the Commission's boards and task forces is a critical component of this capacity, providing a forum for relevant agencies, academics, industry representatives, and others in both countries to bring their scientific and technical expertise to bear, to address emerging issues and to discuss these issues with the local public. In FY 2006, the IJC and its 21 boards and task forces conducted 43 public consultation meetings in communities along or near the international boundary. Also in FY 2006, 23 reports were issued under the auspices of the IJC and its boards and task forces providing information on work undertaken on the Commission's various responsibilities, information on water quality and water quantity requirements, and issues and developments in various watersheds along the boundary.

Another long-term program goal is to ensure that the operation of facilities affecting international water levels and flows remains relevant for current and anticipated conditions. A short-term goal within this context is to ensure steady progress in reviewing the IJC's decades-old international approvals in light of changed social, technical and climatic conditions. The IJC's International Lake Ontario-St. Lawrence River Study Board, created to review the 50-year old regulation of Lake Ontario-St. Lawrence River outflows, completed its five-year study in March 2006; the IJC is considering the options provided by the Board, seeking public comment, consulting with the U.S. and Canadian governments, and anticipates developing and implementing its decision during FY 2007. The IJC revised in FY 2006 a Plan of Study for the 25-year



## **INTERNATIONAL JOINT COMMISSION**

old regulation of the Upper Great Lakes (Lake Superior, Michigan, Huron and Erie and their connecting channels) to incorporate lessons learned from the Lake Ontario study. The IJC also initiated a five-year study for the Upper Great Lakes later in FY 2006 and then developed a Plan of Study for the required review of Zosel Dam at the outlet of Osoyoos Lake.

# INTERNATIONAL BOUNDARY COMMISSION

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>1,411</b>	<b>1,285</b>	<b>1,530</b>

FY 2006 Actual reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 budget request of \$1,530,000 for the International Boundary Commission (IBC) will support the Treaty requirements to maintain the U.S - Canadian Boundary. To maintain the required effective boundary line between the U.S. and Canada, the IBC will conduct 5 field projects: (1) Vista reclearing of the North Line Maine New Brunswick (33 miles); (2) Vista clearing of the 49<sup>th</sup> Parallel (84 miles) in Minnesota/Manitoba; (3) Resurvey of Monument Brook Maine/ New Brunswick; (4) Monumentation St. John River Maine/New Brunswick; and (5) Monument maintenance of the Lake of the Woods Minnesota/Ontario.

The IBC will continue its advisory and regulatory roles concerning construction crossing the boundary and to provide boundary specific information and technical data to the public and private sectors.

## *Program Description*

The IBC is obligated by the Treaty of 1925 to maintain an “effective” boundary line between the United States and Canada. The Treaty specifies that, to be “effective”, the boundary line must be accurately delineated and marked with stable identifying monuments, offering a 20-foot wide clear line-of-sight (vista) from one boundary monument to the next along the entire 5,525 mile border. The IBC maintains more than 5,500 boundary monuments and more than 2,800 reference monuments which are used to locate the water boundary. To preserve the integrity of the international boundary line, the IBC regulates construction crossing the boundary and provides boundary-specific positional and cartographic data to the public and private sectors. The IBC appropriation provides funds to implement U.S. obligations under the Treaty, thereby maintaining and preserving an effective boundary line between the two countries that ensures the sovereignty of each nation over its territory by clearly establishing where one’s rights and responsibilities end and the other’s begins, thus virtually eliminating the potential for serious and costly boundary disputes.

Although the boundary was cleared, surveyed and marked years ago, a cyclical program of maintenance is required to sustain an effective boundary line. The necessity of continuous maintenance is due to the deterioration/destruction of boundary monuments and to brush and timber overgrowth obstructing the 20-foot wide vista.

The IBC has begun to convert all North American Data (NAD) map coordinates that currently define the boundary between NAD 27 and 83 positions.

## INTERNATIONAL BOUNDARY COMMISSION

The FY 2007 request of \$1,285,000 will fund the IBC operations and 4 boundary maintenance projects: 1) Repair and maintenance of the Range Towers in Point Roberts, WA; 2) Clearing boundary vista and monument maintenance along the North Line and Monument Brook, Maine/New Brunswick (87 miles); 3) Monument maintenance and vista clearing of the 49<sup>th</sup> Parallel Minnesota/Manitoba (60 miles); and 4) GPS survey of the 49<sup>th</sup> Parallel Montana/ British Columbia.

### *Benefits*

A well-marked and maintained boundary supports the missions of federal, state and local law enforcement agencies, especially in the aftermath of the September 11 terrorist attacks. A well-defined boundary is necessary so that persons coming upon the boundary anywhere along its length know what country they are in, and thus what laws they are under. An ambiguous boundary line would needlessly complicate and disrupt the business of government and private industry as well as the lives of the people living and working along it.

## RELATED APPROPRIATIONS

### *Resource Summary*

(\$ in thousands)

Appropriations	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
The Asia Foundation	13,821	13,821	10,000
National Endowment for Democracy	74,042	50,000	80,000
East-West Center	18,994	3,000	10,000
Center for Middle Eastern-Western Dialogue - Trust Fund	4,936	4,936	0
Center for Middle Eastern-Western Dialogue - Program	740	740	875
Eisenhower Exchange Fellowship Program	494	494	500
Israeli Arab Scholarship Program	370	370	375
<b>Total, Related Appropriations</b>	<b>113,397</b>	<b>73,361</b>	<b>101,750</b>

All FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

All FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, as amended). These amounts may change with the expected passage of a year-long CR.

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# THE ASIA FOUNDATION

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Operating Activity Expenses	1,698	1,698	1,228
Program Grants and Services	12,123	12,123	8,772
<b>Appropriation Total</b>	<b>13,821</b>	<b>13,821</b>	<b>10,000</b>

FY 2006 Actuals reflect the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 request of \$10,000,000 funds The Asia Foundation (TAF). The request will sustain programs focused on conflict resolution and countering extremism; improve governance practices and rule of law; strengthen democratic institutions; protect human rights, increase citizen participation in public policy; expand women's rights and anti-trafficking efforts; increase economic opportunity through small business development; and develop stronger, more effective open market economies. For 53 years, working through its network of 17 offices in Asia, TAF has directly supported U.S. interests, possessing local credibility, a nuanced understanding of the issues facing each country, and access and relationships with government, nongovernmental groups and the private sector. The FY 2008 request will sustain TAF's initiatives to promote democratic principles and tolerance within Muslim minority and majority countries in Asia, building on TAF's engagement, history of support and credibility with Muslim organizations and mainstream religious leaders. In unstable countries such as Afghanistan, and countries in conflict such as Nepal and East Timor, TAF is working to promote free and fair elections, constitutional development, human rights, education, local government and economic reform. Additional programs will develop democratic institutions to increase the pace of legal reform in China, Vietnam, Indonesia and Thailand, including policy reforms to improve the investment environment, fight corruption and protect intellectual property. TAF will also focus on anti-trafficking programs and increased women's participation in public life throughout Asia. TAF is a well-recognized American organization, but its programs are grounded in Asia, helping to solve local problems in cooperation with Asian partners. The request for operating activity expenses reflects the current indirect cost rate negotiated between the Department of State and TAF, which is 14% of direct costs.

Appropriated funds are critical to TAF's ability to leverage private foundation and corporate funding in the U.S. and from other donors such as the Asian Development Bank. TAF will continue to receive in-kind contributions, notably donated books and journals from American publishers which are distributed through its Books for Asia program and reach 5,000 institutions in the region. Since 1954, TAF has donated over 40 million books to Asian institutions.

# THE ASIA FOUNDATION

## *Program Description*

As a non-governmental grant-making organization, TAF programs complement official efforts to advance U.S. interests in Asia. TAF is a distinctive American on-the-ground presence in Asia with a proven capacity to deliver effective programs and build local capacity in the government, civil society and private sectors.

TAF delivers concrete programs at both the grass roots and policy levels, capitalizing on its longstanding presence and on an essential combination of strengths, including a depth of understanding and sensitivity to local and regional political and economic developments; commitment to results; widespread governmental and non-governmental contacts; the ability to react quickly to identify and develop timely program responses to key foreign policy issues and opportunities; and proven capacity as a program manager and grant maker. TAF's ability to work flexibly, often at break neck speed, such as during the Emergency and Constitutional Loya Jirgas and elections in Afghanistan, is highly valued by the Department of State. TAF funds programs in front line states such as Indonesia, Afghanistan and Pakistan, and in countries where on-the-ground programs make a significant tangible contribution to American public diplomacy through books, exchanges and the generation of good will through on-the-ground projects that benefit the lives of people in Asia.

TAF plays an important role in helping the U.S. Government attain its strategic goals in Asia. TAF's reputation enables it to undertake programs difficult for the U.S. Government to address directly (including issues related to religion and ethnicity), to take risks to promote reform, and respond rapidly in troubled areas with sensitivity and an effectiveness made possible through experience and local relationships. TAF operates in countries of high priority to the U.S., but where the U.S. does not maintain a development presence, such as China and the Korean Peninsula, and has been encouraged by the Department of State to be an early bridge to countries emerging from isolation or authoritarian rule, as in the case of North Korea, and in earlier times, Mongolia, Vietnam and China. TAF's programs are directly linked to U.S. Government goals and objectives, including the number one priority of combating terrorism and dealing with its root causes.

The Asia Foundation is primarily a grant-making organization. Through support for innovative program activities, education, public policy dialogue, research, human resource development, technical assistance, and institutional strengthening, TAF contributes to U.S. and Asian interests by:

- strengthening key democratic institutions such as legislatures and courts, professional organizations, citizen advocacy and human rights groups; promoting religious tolerance and conflict resolution; and building constituencies to promote legal reform;
- protecting the rights of women, and countering domestic violence and trafficking of women and children;
- supporting open market economies, liberalized trade and investment policies, and expanding small and medium enterprise policy reform to support economic growth and development;
- promoting leadership development through professional training and study tours for staff members of grantee institutions; and facilitating U.S.-Asian dialogue on political, economic, and security issues affecting U.S. interests in the region; and
- managing the Books for Asia program, which annually distributes over 800,000 donated American books, and journals throughout Asia, expanding understanding of the U.S., and supporting education reform.

TAF major achievements in 2006 and ongoing programs include:

## THE ASIA FOUNDATION

- introduction of civic education curricula to promote democratic principles, moderate Islam, and tolerance within Indonesia's 46 State Islamic Institutes and 142 private Islamic colleges, reaching 180,000 students a year, and curriculum reform for over 400 Islamic primary schools reaching 120,000 students;
- the establishment of The International Center for Islam and Pluralism; provision of civic education and operations support for the registration of voters and polling for elections in Afghanistan; support for 130,000 domestic election monitors and voter education programs during over 200 local government elections, mobilizing Muslim, Catholic and other nongovernmental organizations, and reaching over 100 million voters;
- training in China on legal rights for thousands of migrant women workers;
- support for anti-trafficking NGOs and government efforts in Cambodia, Vietnam, Indonesia and Thailand; enhancing access to justice through the Community Mediation Boards in Sri Lanka, which handle more than 100,000 cases per year; development of a model for mediation of conflict at the village level now serving 11 districts in Nepal; support for monitors of the peace process between the government and the Moro Islamic Liberation Front (MILF) in the Philippines;
- legal reform, and parliamentary development in East Timor, in addition to ground-breaking cross-border dialogue between East and West Timor;
- innovative survey work on provincial economic development in Indonesia, Vietnam and Cambodia that helps improve the business environment and pushes forward critical domestic economic reform for small and medium enterprises.

### *Benefits*

The Asia Foundation is well positioned to address immediate needs in Asia through programs that advance priority U.S. interests and achieve strategic goals in Asia. TAF programs strengthen democracy, rule of law, human rights, and mechanisms for conflict prevention and management; increase links with moderate, tolerant, and progressive Muslim groups and leaders; expand regional economic opportunities; and encourage regional cooperation. As a ready American asset with a longstanding field presence, TAF has a depth of experience, reputation, rapid response capability, and grant making capacity that makes it an important, reliable resource that has proven that it can identify critical needs, develop creative approaches, and effectively manage results-oriented programs in Asia. TAF's flexible grant making fills an important role to help develop new Asian leadership and institutional capacity. TAF's presence in Asia and its nongovernmental status help provide a buffer against controversy. TAF is able to undertake programs that are difficult for the U.S. government to do directly, including those focusing on issues such as religion, ethnicity or human rights. TAF programs also contribute to American public diplomacy through books, exchanges and the generation of good will from on-the-ground projects that improve the lives of people in Asia.



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# NATIONAL ENDOWMENT FOR DEMOCRACY

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>74,042</b>	<b>50,000</b>	<b>80,000</b>

FY 2006 Actual reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 request of \$80,000,000 funds the National Endowment for Democracy (NED). This level of funding will support programs in the Middle East, Africa, Asia, Eurasia, Central and Eastern Europe, and Latin America, as well as multi-regional programs. NED's programs have the following objectives:

- helping to support countries in transition to more open democratic systems, placing special emphasis on the defense of human rights and the provision of access to independent information;
- promoting democratization in semi-authoritarian countries by monitoring the conduct of elections, expanding constitutional, legal, and political space for civil society, NGOs, and political party development, establishing links between civil society and political parties, and encouraging cross-border assistance within regions;
- aiding the practice of democracy in countries with significant Muslim populations by promoting good governance and economic reform, strengthening political parties, encouraging women's participation, and supporting grassroots organizations that defend human rights and promote democratic values;
- assisting the consolidation of new democracies, paying close attention to the problems of governance by increasing both accountability and broad-based participation;
- helping to heal war-torn societies, providing critically needed support to groups in civil society that defend human rights, educate about democracy, and provide training in conflict resolution;
- providing democratic activists with access to new information and communication technologies; and
- developing strong regional networks that bring together democratic leaders in Africa, Latin America, the Middle East, Asia, Central and Eastern Europe, and Eurasia for mutual collaboration and assistance.

## *Program Description*

The National Endowment for Democracy (NED) is a private, non-profit organization created in 1983 to strengthen democratic institutions around the world through non-governmental efforts. An independent, bi-partisan board of directors governs NED. With its annual appropriation, NED makes hundreds of grants each year to support pro-democracy groups in Africa, Asia, Central and Eastern Europe, Latin America, the Middle East, and Eurasia. NED's mission is to support peaceful and stable transitions to more open political and economic systems characterized by effective governance and legal systems, an engaged and responsible civil society, and open markets.

# NATIONAL ENDOWMENT FOR DEMOCRACY

Programs in the areas of labor, open markets, and political party development are funded through four core institutes: the American Center for International Labor Solidarity (ACILS), the Center for International Private Enterprise (CIPE), the International Republican Institute (IRI), and the National Democratic Institute (NDI). Also, NED annually funds hundreds of programs in the areas of human rights, civic education, independent media, rule of law, strengthening non-governmental organizations, and other aspects of democratic development.

## *Benefits*

NED's programs advance long-term U.S. interests and address immediate needs in strengthening democracy, human rights, and the rule of law. Promoting democracy through the National Endowment for Democracy is vital to U.S. national security since democracies typically do not sponsor terrorism, proliferate weapons of mass destruction, create destabilizing flows of refugees, or go to war with one another. Terrorism feeds off tyranny by finding recruits among the politically repressed and sanctuary from states that use terror against their own people. NED's program will work to sever this link and advance the values of democracy, individual rights, and cultural pluralism in the world. Additionally, NED's support for free market reforms encourages regional trading opportunities and helps foster economic growth.

## *PART / Performance Evaluation*

At the beginning of each grant-making year, a Planning Document is developed by NED staff on a region-by-region basis, working with designated Board experts and NED's core institutes. The document sets forth priority programmatic areas, countries and regions, and establishes targets for the entire budget available for grants. The Board reviews the document at the beginning of the year, and during the year monitors how well annual program objectives are being met.

NED awards more than 900 grants annually. Each proposed project must contain an evaluation plan before it can be approved by the Board. In addition, no grant can be renewed before an assessment of its previous year's activities has been presented to the Board.

Quantitative measurements are more easily obtained than qualitative by monitoring the frequency of specific activities involved in the project, e.g., the number of direct participants and the quantity of written, video, or audio materials produced, depending on the nature of the region. Qualitative measurements are ascertained through review of program products by experts, media reporting or commentary generated by program activities, questionnaires filled out by participants, or evidence that, for example, specific democratic reforms have taken place or are being considered in the target country, or that participation in civic organizations has increased as a result of program activities. Under some circumstances, when project activities are undertaken in a particularly hostile environment, the fact that an organization has been able to carry out its programs is evidence that a particular grant has been effective. The progress of grants is monitored through self-evaluations by grantees, on-site visits by NED program officers, and independent evaluations of selected projects by outside experts.

## EAST - WEST CENTER

### *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>18,994</b>	<b>3,000</b>	<b>10,000</b>

FY 2006 Actual reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

### *Justification of Request*

The FY 2008 request of \$10,000,000 funds the Center for Cultural and Technical Interchange Between East and West (the East-West Center).

Funding supports programs designed to:

- contribute to a peaceful, prosperous, and just Asia Pacific community by serving as a vigorous hub for cooperative research, education, and dialogue on critical issues of common concern to the Asia Pacific region and the United States; and
- prepare Americans for an era in which the Asia Pacific region is increasingly important to the United States.

### *Program Description*

Congress established the East-West Center (EWC) in Hawaii in 1960 as a national education and research organization to promote U.S.-Asia Pacific relations and understanding through cooperative study, training, and research. The East-West Center's program is directed toward a region with more than 50 percent of the world's population.

The EWC is a public, non-profit institution chartered by the State of Hawaii with an 18-member international board of governors. Some 1,700 scholars, government and business leaders, educators, journalists, and other professionals from throughout the region work through the EWC annually. By bringing such individuals together for collaborative projects, the EWC projects U.S. values, ideas, and interests into the region. The EWC is positioning itself as a public-private partnership activity. Programs include:

- Research – The Research Program covers four broad areas of study: politics, governance and security; economics; environmental change, vulnerability and governance; and population and health. Collaborative research at the Center contributes to: (1) the strengthening of regional, sub-regional and national institutions of governance; (2) the promotion of mutually beneficial growth that is equitable and sustainable; and (3) the management and resolution of critical regional problems as well as significant issues of common concern at the national level.

## EAST - WEST CENTER

- Education, Training and Seminars – The EWC offers a wide range of educational opportunities for students and professionals specializing in Asia and the Pacific. These include support for undergraduate and graduate study, visiting fellowships, and special programs for Pacific Islanders and East Timorese, among others. The Asian Studies Development Program (ASDP) has developed relationships with approximately 500 colleges and universities in reaching American college students to expand their knowledge about Asia and the Pacific. Through its Seminar Program, the Center seeks to become a major venue for productive policy and results-oriented seminars on issues relating to Asia Pacific community building. Seminars for political, corporate and academic leaders in several areas of thematic emphasis are offered throughout the year.

### ***Benefits***

The EWC advances long-term U.S. interests and addresses multilateral needs in Asia and the Pacific, including fostering mutual understanding, strengthening democracy and human rights, and encouraging global growth and security. Presidents, prime ministers, ambassadors, scholars, business executives, and journalists use the EWC as a forum to advance international cooperation. The EWC is one of the most active U.S. organizations engaged in the Pacific Islands region, bringing heads of government annually to the U.S. Among its resources is a network of more than 50,000 alumni around the world.

The EWC has an established methodology for cooperative, group-oriented public diplomacy programs that is quite distinctive from the more typical exchanges that are focused on individuals. The group activities also generate highly motivated alumni. The EWC uses its 45 alumni chapters for programming and enhancing its mission.

Private agencies, individuals, corporations, and foreign governments provide additional support. The EWC expects to generate additional support of \$12 million in FY 2007 and \$10 million in FY 2008.

# CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>740</b>	<b>740</b>	<b>875</b>

FY 2006 Actual reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 request seeks appropriation authority to spend \$875,000 in estimated interest and earnings of the Center for Middle Eastern-Western Dialogue Trust Fund. These funds will be used for programming activities and conferences that the Center will convene.

## *Program Description*

The Consolidated Appropriations Act, 2004 (P.L. 108-199) created the Center for Middle Eastern-Western Dialogue Trust Fund to support the operations of the Center on an annual basis. The Council of American Overseas Research Centers (CAORC), in collaboration with the Department of State, is overseeing development of the Center.

The purpose of the Center is to develop programs of cooperative study, training, and research for students and scholars to exchange views and ideas. The Center will focus on development of region-based groups that will conduct research on topics of contemporary importance to build international dialogue and understanding. The Center will play an important role in establishing ties between the American people and the people of Iran through scholarly conferences, workshops and meetings of experts. It will also convene conferences on topics related to critical issues such as Muslim youth and the media, regional cooperation in areas like the Caspian Basin and Afghanistan-Pakistan, and portrayal of the Israel-Palestine conflict by regional and worldwide media.

The Center's Steering Committee is chaired by CAORC and composed of experts from universities, NGOs, and the Department of State. The Committee is identifying potential partners in the U.S. and in the broader Middle East and North Africa region and making recommendations for program activities and institutional management of the Center. CAORC is serving as the liaison with concerned Federal and private agencies and will monitor progress and report annually to Congress on their conferences and other activities.

## *Benefits*

The goal of the Center is to promote dialogue on key issues, the growth of civil society and democratic institutions, and peaceful resolution of differences. Toward this goal, the Center will further scholarship and implement programs to encourage mutual understanding between the United States and Europe and the people of Southeast Europe, the Near and Middle East, Central Asia, and North Africa.

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# EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>494</b>	<b>494</b>	<b>500</b>

FY 2006 Actual reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 request seeks appropriation authority to spend \$500,000 in estimated interest earnings of the Eisenhower Exchange Fellowship Program Trust Fund. The funding will be applied to:

- providing learning and networking opportunities for mid-career international and U.S. leaders in preparation for increasingly senior positions in government, business and the NGO sectors;
- exposing these emerging leaders to best practices in building democratic institutions and free markets; and
- advancing peace through the increased international dialogue, understanding, and collaboration which results from the fellowships and from an active global alumni leadership network.

## *Program Description*

The Eisenhower Exchange Fellowship Program (EEF) promotes international understanding and economic productivity through the exchange of information, ideas, and perspectives among emerging leaders throughout the world.

EEF was created in 1953 to honor President Eisenhower. The Eisenhower Exchange Fellowship Program Act of 1990 (P.L. 101-454) authorized a permanent endowment for the program and established a trust fund for this purpose.

The 1992 Department of State and Related Agencies Appropriations Act provided \$5 million to establish a permanent endowment for the Program, and appropriated the interest and earnings in the Fund to Eisenhower Exchanges Fellowships, Inc. The 1995 Department of State and Related Agencies Appropriations Act made an additional payment of \$2.5 million to the endowment.

The program brings outstanding professionals who are rising leaders in their countries to the United States and sends American counterparts abroad with a custom-designed program for each participant. EEF consists of these major components:

- Multi-Nation Program (MNP) - Provides two-month U.S. fellowships for an Eisenhower Fellow from each of 24 to 27 countries;



## EISENHOWER EXCHANGE FELLOWSHIP PROGRAM

- Single Region or Common Interest Program (SRP, CIP) - Provides two-month U.S. fellowships for 20 to 25 Fellows representing a range of professions from a single geographic region or professional area;
- USA Program (USA) - Sends 10 to 15 Americans abroad, for one to three months, to countries where their fields can be enriched by persons, organizations, and institutions encountered there; and
- Eisenhower Fellowships Network (EFN) - Links alumni Fellows worldwide, enabling Fellows to collaborate on projects, extend and strengthen relationships, and develop international links. 1,700 men and women from over 100 countries have joined the ranks of Eisenhower Fellows since 1953, a significant percentage of whom remain actively engaged in the Eisenhower Fellowships Network.

### *Benefits*

EEF exchanges strengthen democratic development, open markets and global understanding by creating opportunities for emerging U.S. and foreign leaders to experience each other's societies and cultures directly and to work together on an ongoing basis in the interests of more prosperous, just and peaceful world.

# ISRAELI ARAB SCHOLARSHIP PROGRAM

## *Resource Summary*

(\$ in thousands)

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Appropriation Total</b>	<b>370</b>	<b>370</b>	<b>375</b>

FY 2006 Actual reflects the rescission of 0.28% provided through the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (P.L. 109-108) and the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

## *Justification of Request*

The FY 2008 request seeks appropriation authority to spend \$375,000 in estimated interest earnings of the Israeli Arab Scholarship Fund. The funding will be applied to:

- increasing educational opportunities for Israeli Arab students to study and conduct research in the United States and
- advancing peace through international understanding.

## *Program Description*

The Israeli Arab Scholarship Program (IASP) fosters mutual understanding between Arab citizens of Israel and the United States through international exchange and training activities.

The Israeli Arab Scholarship Program funds scholarships for Israeli Arabs to attend institutions of higher education in the United States. This program is authorized by Section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (P.L. 102-138). A permanent endowment of \$4,978,500 was established in 1992 with funds made available under Section 556(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1990 as amended by Section 551 of the Foreign Operations, Export Financing, and Related Programs Appropriation Act, 1991.

## *Benefits*

The income generated by this endowment provides scholarships for Israeli Arab students to study in the United States. IASP exchanges strengthen international peace and create opportunities for understanding each other's societies and cultures directly.

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## FOREIGN ASSISTANCE

### *Resource Summary*

(\$ in thousands)

Appropriations	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
Migration & Refugee Assistance	858,790	750,206	773,500
Emergency Refugee/Migration Assistance	29,700	30,000	55,000
<b>Total, Foreign Assistance</b>	<b>888,490</b>	<b>780,206</b>	<b>828,500</b>

FY 2006 Actuals reflect the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2006 Actual for MRA includes \$75.7 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234).

FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

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# MIGRATION AND REFUGEE ASSISTANCE

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Overseas Assistance</b>	<b>638,465</b>	<b>550,200</b>	<b>497,600</b>
Africa	297,986	230,200	220,000
East Asia	28,594	23,300	20,000
Europe	45,529	32,200	30,800
Near East	97,215	119,600	93,100
South Asia	56,993	53,500	44,400
Western Hemisphere	25,335	22,900	21,000
Migration	12,889	11,800	11,700
Strategic Global Priorities	73,924	56,700	56,600
<b>Refugee Admissions</b>	<b>159,440</b>	<b>140,006</b>	<b>213,400</b>
Refugee Admissions	159,440	140,006	213,400
<b>Humanitarian Migrants to Israel</b>	<b>39,600</b>	<b>40,000</b>	<b>40,000</b>
<b>Administrative Expenses</b>	<b>21,285</b>	<b>20,000</b>	<b>22,500</b>
<b>Appropriation Total</b>	<b>858,790</b>	<b>750,206</b>	<b>773,500</b>

FY 2006 Actuals reflect the general rescission of 1.0% provided through the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (P.L. 109-148, Division B).

FY 2006 Actuals include \$75.7 million provided through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (P.L. 109-234).

FY 2007 Estimates reflect the levels provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). These amounts may change with the expected passage of a year-long CR.

## *Justification of Request*

The United States has consistently led the international community in responding to the plight of refugees and other victims of conflict. In addition to providing life-sustaining protection and relief to the most vulnerable populations, humanitarian assistance stabilizes countries that are rebuilding from conflict and transforms communities by increasing the capacity of governments, local organizations, and individuals to respond to future crises. U.S. multilateral assistance leverages greater assistance from other countries and encourages global partnerships for development.

Humanitarian Assistance is an important strategic objective outlined in the U.S. National Security Strategy, the new framework for U.S. foreign assistance, and the Department of State and U.S. Agency for International Development's Joint Strategic Plan. The Migration and Refugee Assistance (MRA) and the U.S. Emergency Refugee and Migration Assistance (ERMA) appropriations are two of the primary funding mechanisms for demonstrating American compassion internationally. These funds are provided primarily to multilateral organizations such as the Office of the UN High Commissioner for Refugees (UNHCR), the International Committee of the Red Cross (ICRC), the International Organization for Migration (IOM), and

## **MIGRATION AND REFUGEE ASSISTANCE**

the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), as well as to other international and non-governmental organizations. These funds support the following specific goals:

- **Protection and Durable Solutions** - Ensure access to effective protection for refugees and conflict victims, and, in certain cases, internally displaced persons (IDPs). Prevent refoulement (involuntary return to a place where a person would face persecution), promote access to asylum, enhance physical protection (especially for women and children), and promote durable solutions (including voluntary return and local integration).
- **Assistance** - Provide effective and efficient humanitarian assistance across geographic regions and according to internationally accepted standards.
- **Resettlement** - Provide permanent resettlement in the U.S. to those refugees who need it; ensure that adequate security, health, and antifraud measures are fully implemented in processing these cases; and support adequate reception arrangements for these refugees so that they can begin the process of becoming self-sufficient, fully-integrated members of U.S. society.
- **International Migration** - Support policies and programs for orderly international migration based on the protection of human rights and respect for national sovereignty. This goal includes continued funding for a program that facilitates the integration of humanitarian migrants in Israel.

Important specific priorities in FY 2008 include: respond to emergency requirements in Sudan and Chad; provide continued strong support to Palestinian refugees throughout the Near East; provide assistance to Iraqi refugees and conflict victims; support return and reintegration of refugees and IDPs in Afghanistan, Sudan, the Democratic Republic of the Congo (DRC), and Burundi; provide durable solutions to Bhutanese refugees in Nepal; promote a strong refugee admissions program; continue efforts to enhance the protection of refugees and conflict victims, including programs that guard against the exploitation of beneficiaries of humanitarian assistance; provide protection and assistance to victims of trafficking; and press other donors to provide their fair share of assistance to international humanitarian organizations.

### **Overseas Assistance**

The FY 2008 request for Overseas Assistance is \$497,600,000.

Requirements by region include:

- **Africa** - \$220,000,000. At present, the nascent or ongoing transformation of a number of conflict situations – Angola, Burundi, the DRC, Liberia, southern Sudan – is gradually driving down refugee and IDP numbers. In round numbers, current refugees in Africa number 2.7 million and IDPs 12 million. The request continues some support for peace processes through refugee and IDP return and reintegration operations, which are critical in countries such as Burundi, the DRC, and Sudan. It is critical to ensure that protection and assistance for African refugees is predictable and up to international standards to help avoid countries slipping backwards. There continue to be protection and assistance needs for refugees who cannot return home, e.g., 220,000 Darfur Sudanese in Chad, 150,000 southern Somalis in Kenya, and up to 165,000 Western Saharans in Algeria. The situation in Chad has been worsening as conflicts in Darfur, Chad, and the Central African Republic merge, and needs related to these conflicts will continue to grow. Renewed conflict in Somalia also is creating more refugees and IDPs requiring assistance. The request includes USG contributions for UNHCR and ICRC, which help address the basic life support needs of vulnerable refugees and conflict victims in Africa and ensure that those who can return home are reintegrated into their home communities. Some

## MIGRATION AND REFUGEE ASSISTANCE

funding is also included for other International Organizations (IOs) and NGOs that work with UNHCR to fill gaps in basic relief and reintegration programs.

- East Asia - \$20,000,000. The FY 2008 request includes support for UNHCR and ICRC programs throughout the region as well as for the humanitarian assistance and protection needs of vulnerable North Koreans outside the Democratic People's Republic of Korea (DPRK). It also continues support for the Thai Burma Border Consortium, which provides food to Burmese refugees on the Thai-Burma border. Programs supported by the request also include basic health care, and water and sanitation for Burmese in camps in Thailand.
- Europe - \$30,800,000. The FY 2008 budget request maintains existing assistance programs for displaced populations in the Balkans. The request would also provide some support for continued assistance to IDPs as well as preparations for IDP repatriation in case peace is achieved in either of the two conflicts – Abkhazia and Nagorno Karabakh. U.S. assistance in the North Caucasus region is seen as a measure of engagement and leadership on Chechnya, and continued U.S. humanitarian assistance in FY 2008 is critical during the transition from relief to development in Chechnya. MRA will support UNHCR, other UN agencies, the ICRC, and NGOs to continue providing life-sustaining assistance to the most vulnerable refugees and IDPs in the Caucasus.
- Near East - \$93,100,000. The FY 2008 request continues support for UNRWA's vital basic assistance programs, including health care and primary education for 4.3 million registered Palestinian refugees in Jordan, Lebanon, Syria, West Bank and Gaza. It is the largest non-government employer of Palestinians and the largest provider of basic services in the West Bank and Gaza, and remains an important force for stability in Gaza and the West Bank, particularly as humanitarian needs continue to rise. UNRWA's funding needs have grown substantially due to an increased reliance on UNRWA's services in West Bank/Gaza; elevation of UNRWA's services to a level comparable to those provided by host governments in the region; launching of the agency's management reform initiative; and an increased focus on the promotion of self-reliance among Palestinian refugees. MRA funds will also support UNHCR and ICRC programs throughout the Near East.
- South Asia - \$44,400,000. The bulk of the request will provide continued repatriation and reintegration support for refugees returning to Afghanistan, as well as assistance for those still remaining in neighboring countries. While over 4.7 million refugees have returned to Afghanistan since 2002, an estimated 3.5 million Afghans remain in Pakistan and Iran. Hundreds of thousands of returnees are expected to cross into Afghanistan in 2008, and the scale of the overall return is unmatched anywhere else in the world. The request also supports funding for Tibetans in Nepal and India, assistance for displaced Sri Lankans, and some care and maintenance for programs for Bhutanese in Nepal.
- Western Hemisphere - \$21,000,000. Assistance to persons displaced by the conflict in Colombia will continue to be a priority for the United States. The FY 2008 request provides some emergency assistance to this vulnerable population, as the number of IDPs in Colombia continues to grow by approximately 300,000 each year and totals nearly 3 million. The request includes support to the regional programs of UNHCR and ICRC. It also includes funds to meet the U.S. commitment to support the needs of migrants at the Guantanamo Bay Naval Base who have been found to be in need of protection as well as their initial resettlement in third countries.
- Migration - \$11,700,000. The FY 2008 request supports USG's assessed contribution and tax reimbursement for IOM. It also provides support for IOM anti-trafficking initiatives, primarily to prevent the exploitation of women and children worldwide and provide assistance to trafficking



## **MIGRATION AND REFUGEE ASSISTANCE**

victims, including through return and reintegration programs. MRA funds will be used to continue support for regional migration dialogues in Latin America, Africa, Europe, and Asia.

- Strategic Global Priorities - \$56,600,000. The FY 2008 request will provide critical funding to programs that provide protection to the most vulnerable populations, including women and children, maintaining a special focus on gender-based violence (GBV) through targeted funding for stand-alone GBV programs. It seeks to ensure that IOs and NGOs have the tools to respond quickly and effectively to emerging crises, protect populations in need, and protect the organizations' staffs in increasingly insecure environments. The request includes support for the headquarters budgets of UNHCR and ICRC, reflecting the crucial role these organizations play in providing protection and humanitarian assistance to refugees and conflict victims. Funding is also included to support UNHCR's emergency response capacity.

### **Refugee Admissions**

The FY 2008 request for Refugee Admissions is \$213,400,000. The FY 2008 request maintains the Administration's support for this program. The FY 2008 global and regional admissions ceilings will be set by a Presidential Determination after the Congressional consultations process later in FY 2007. The Refugee Admissions program provides an important durable solution, and is a key tool in U.S. efforts to champion human dignity.

### **Humanitarian Migrants to Israel**

The FY 2008 request of \$40,000,000 maintains the FY 2007 level of support for the humanitarian migrants program of the United Israel Appeal (UIA). It reflects the resource level necessary to support a package of services designed to promote integration of migrants into Israeli society, including transportation to Israel, Hebrew language instruction, transitional housing, education, and vocational training, and will support the continued movement of Ethiopian migrants to Israel.

### **Administrative Expenses**

The FY 2008 request of \$22,500,000 for administrative expenses provides the Bureau with the resources to manage effectively and responsibly critical humanitarian programs funded through the MRA and ERMA appropriations.

With this administrative budget, the Bureau manages resources of over \$900 million and an array of significant humanitarian policy issues as well as the refugee admissions program. PRM staff address program design and implementation, monitor and evaluate operational activities, and support other parts of the Department of State in integrating refugee and humanitarian issues into broader foreign policy concerns. They play an equally important humanitarian diplomacy role. Costs related to the small staff dedicated to international population activities are included in the Department's Diplomatic and Consular Programs account.

### ***Program Description***

The United States helps to meet the needs of refugees, IDPs, and conflict victims by supporting programs of overseas assistance implemented by international and non-governmental organizations and by accepting refugees of special humanitarian concern for resettlement in the United States. Central to these efforts is recognition that refugee problems are matters of international concern, requiring multilateral solutions. UNHCR estimates that there are just over 20 million persons under its mandate worldwide, including

## MIGRATION AND REFUGEE ASSISTANCE

refugees, returnees, certain IDPs, and stateless persons. An additional 4.3 million Palestinian refugees are currently registered with UNRWA. ICRC's chief beneficiaries are conflict victims such as civilians caught in conflict zones and prisoners of war.

The focus of U.S. humanitarian foreign policy is:

- providing life-sustaining protection and relief for persons who have fled persecution and conflict;
- obtaining effective and timely responses from the international community to assist refugees and displaced persons; and
- seeking solutions to refugee problems, including diplomatic and financial support for voluntary repatriation, local integration, and resettlement.

Overseas assistance is carried out through voluntary contributions to:

- Office of the United Nations High Commissioner for Refugees (UNHCR);
- International Committee of the Red Cross (ICRC);
- United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA);
- International Organization for Migration (IOM);
- Other international organizations (e.g., UNICEF, OCHA, UNDP); and
- Non-governmental organizations (NGOs).

Refugee admissions are supported through funding to:

- private voluntary agencies that conduct refugee processing and cultural orientation overseas, as well as state and private agencies that provide initial reception and placement services in the United States;
- IOM, which provides transportation, refugee processing, medical screening services, and cultural orientation for refugees coming to the United States;
- a contractor that manages the refugee processing database and Refugee Processing Center in Rosslyn, Virginia; and
- UNHCR, which refers refugees in need of third country resettlement to the U.S. and other countries.

The Humanitarian Migrants to Israel program is implemented through a grant to the United Israel Appeal.

### ***Benefits***

Migration and Refugee Assistance funds:

- maintain U.S. global leadership in humanitarian affairs and international refugee and migration policy;
- help preserve first asylum in countries that might otherwise close borders to refugees;
- provide for the protection of and direct humanitarian assistance to refugees, conflict victims, vulnerable migrants, and some internally displaced persons according to established arrangements with other USG agencies;
- support voluntary repatriation and reintegration of refugees and internally displaced persons when political conditions allow;
- develop multilateral support and burden-sharing for refugee and conflict victim needs; and
- bring refugees who are of special humanitarian concern to the United States for resettlement.

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# U.S. EMERGENCY REFUGEE AND MIGRATION ASSISTANCE

## *Resource Summary*

(\$ in thousands)

Activities	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>ERMA Fund</b>	<b>29,700</b>	<b>30,000</b>	<b>55,000</b>

FY 2006 Actual reflects the general rescission of 1.0% provided through the Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza Act, 2006 (P.L. 109-148, Division B).

FY 2007 Estimate reflects the level provided by a Continuing Resolution (P.L. 109-289, Division B, as amended). This amount may change with the expected passage of a year-long CR.

## *Justification of Request*

A \$55,000,000 replenishment of the United States Emergency Refugee and Migration Assistance (ERMA) Fund is essential to preserving the President's ability to respond quickly to the many unforeseen and urgent refugee and migration needs that occur worldwide each year.

## *Program Description*

The ERMA Fund is a no-year appropriation that is drawn upon to meet unanticipated refugee and migration emergency needs whenever the President determines that it is important to the national interest to do so.

Pursuant to the Migration and Refugee Assistance Act of 1962, as amended, the President authorizes drawdowns from the ERMA Fund when unexpected refugee and migration needs require immediate financial support. At the beginning of FY 2007, \$11.7 million remained in the fund. During the first quarter of FY 2007, \$5.2 million was drawn down from the Fund to support unexpected urgent humanitarian needs of refugees and other vulnerable people stemming from increasing instability and conflict in Somalia and Sri Lanka. If the FY 2007 ERMA appropriation is \$30 million, this will leave an estimated \$36.5 million available for the remainder of FY 2007. The average annual drawdown level from ERMA exceeds \$55 million.

A total of \$46.5 million was drawn down from the ERMA Fund in FY 2006 for the following needs:

Presidential Determination 2006-04: \$5 million

- On November 22, 2005, \$5 million was authorized to support unexpected and urgent needs of refugees and other victims related to the earthquake in Pakistan.

Presidential Determination 2006-13: \$28 million

- On May 4, 2006, \$28 million was authorized to respond to the humanitarian crisis in Somalia (\$3 million), and to support unexpected and urgent needs related to: refugee repatriation and reintegration in Burundi (\$2 million) and the Democratic Republic of the Congo (\$12 million), refugee food pipeline breaks in Africa (\$3 million), and the UN High Commissioner for Refugees new protection and assistance responsibilities for internally displaced persons (\$8 million).

## **U.S. EMERGENCY REFUGEE AND MIGRATION ASSISTANCE**

Presidential Determination 2006-21: \$13.5 million

- On August 21, 2006, \$13.5 million was authorized to respond to the humanitarian crisis resulting from the conflict in Lebanon.

### ***Benefits***

The ERMA Fund provides the President with the flexibility to respond on a timely basis to emergency refugee and migration crises around the world.

# FY 2007 SUPPLEMENTAL REQUEST

## *Resource Summary*

(\$ in thousands)

Appropriations	FY 2007 Supplemental Request
<b>Administration of Foreign Affairs</b>	<b>967,996</b>
Diplomatic & Consular Programs	912,996
Iraq Operations	823,941
Ongoing Operations	21,900
Worldwide Security Upgrades	67,155
Office of Inspector General (1)	35,000
Educational & Cultural Exchange Programs	20,000
<b>International Organizations</b>	<b>200,000</b>
Contributions for International Peacekeeping Activities	200,000
<b>Total, State Department Appropriations Act</b>	<b>1,167,996</b>
Migration & Refugee Assistance (2)	71,500
U.S. Emergency Refugee & Migration Assistance (2)	30,000
<b>Other State Department Authorization Act</b>	<b>1,269,496</b>

(1) Funds requested for transfer to the Special Inspector General for Iraq Reconstruction.

(2) Funds requested in Foreign Operations.

## **FY 2007 SUPPLEMENTAL REQUEST**

### **Diplomatic and Consular Programs – \$912,996,000**

#### ***Iraq Operations – \$823,941,000***

The United States remains actively and constantly engaged in supporting the desire of Iraqis for the speedy formation of an inclusive government that serves the interests of all Iraqis and continues to play a key role in helping Iraqis to build a free nation that is an ally against terrorism. U.S. Embassy Baghdad faces extraordinary challenges in assisting with this effort. Much work remains to be done in building a free and stable Iraq – and this work will require the commitment of significant resources.

FY 2007 supplemental funding of \$823.9 million is requested for personnel, logistical, security, and other costs associated with operating the U.S. Mission in Iraq, including expansion of Provincial Reconstruction Team (PRT) operations throughout Iraq.

#### ***U.S. Mission Operations/Other Support Activities – \$47,646,000***

This requested funding will finance the costs of basic allowances and operations support for the State Department's direct hire staff; the physical move to and related expenses of the New Embassy Compound (NEC); salaries, allowances, and other requirements for the Iraq Reconstruction Management Office (IRMO); and salaries, allowances, and other support requirements such as travel for the Department's direct hire personnel in the Regional Embassy Offices (REOs) and on PRTs.

#### ***Logistics Support – \$72,505,000***

These funds will be used to continue life support services for the U.S. Mission provided under the Logistics Civil Augmentation Program (LOGCAP) contract, covering the initial six months of a new operations and maintenance contract for the NEC; for temporary housing on the NEC grounds for direct hire personnel; and for the construction of temporary housing for non-direct hire support personnel who cannot be accommodated in NEC residential housing.

#### ***Security – \$265,827,000***

At present there are 12 U.S. agencies conducting business in Baghdad and regional sites under Chief of Mission (COM) authority. The requested funds will help protect lives and ensure continuity of operations through the local guard force and special protective details. Funds will also pay for equipment for operations support such as armored vehicles and x-ray machines and for personal protection equipment such as bulletproof vests and masks.

#### ***Information Technology – \$8,874,000***

These supplemental funds support the maintenance, repair, and replacement of all secure and non-secure voice and data communications equipment and associated infrastructure for the Chancery, the Palace Annex, the regional offices, and remote outposts. Available telephone service continues to be inadequate for the Mission, and the Embassy remains fully reliant on satellite dishes for data and voice transmission.

#### ***Overhead Cover – \$15,000,000***

This funding will support the continued construction and installation of overhead cover and other physical security measures for facilities at regional sites and in Baghdad.

#### ***Provincial Reconstruction Teams – \$414,089,000***

These supplemental funds will be used to stand up new PRTs and to support and augment existing PRTs through the remainder of FY 2007. Specifically, the funds will cover the costs of personnel and support to

## **FY 2007 SUPPLEMENTAL REQUEST**

the extent not covered by other agencies. Funding will also cover security costs for the stand-alone PRTs that will not be co-located with a brigade combat team or on a forward operating base.

PRTs are a key element of the new U.S. strategy for Iraq, aimed at accelerating the transition to Iraqi self-reliance. PRTs will be used for a decentralized approach to bolster moderates, promote reconciliation, support the U.S. Government's counterinsurgency strategy, foster economic development, and build provincial capacity. Expanded PRTs will be a powerful tool for making real America's commitment to stand firmly beside moderates as they struggle to hold extremists at bay while building a new Iraq.

There are currently 10 PRTs deployed across Iraq. The Department intends to expand to at least 18 and as many as 21 PRTs, with new PRTs in Baghdad and Anbar as the priority. This expansion will be an intensive interagency effort with civilian and military personnel working side-by-side targeting both civilian and military resources against a common strategic plan. While the Department will have the lead in recruiting and hiring staff for all of the PRTs, full interagency support will be necessary to deploy the new staff to Iraq as quickly as possible.

### ***Ongoing Operations – \$21,900,000***

#### ***Public Diplomacy: Combating Violent Extremism – \$20,000,000***

FY 2007 supplemental funding of \$20 million is requested to expand public diplomacy international information programs to combat violent extremism. These programs will engage Muslim communities, promote democracy and good governance, refute the idea that the West is at war with Islam, and isolate and discredit terrorist leaders and organizations. The funding will support increased interaction with exchange alumni and deepened relationships; summer youth camps in Muslim regions; small grants by posts to intensify local outreach to influential people in sectors such as youth, religious leaders, women, educators, and cultural icons; and public-private partnerships. Funding will also support foreign language websites to supply credible information about the United States and TV programming to promote dialogue between Muslim and American communities.

#### ***Sudan – \$1,900,000***

FY 2007 supplemental funding of \$1.9 million is requested to support diplomatic efforts in Sudan, a high-conflict area that is critical in the effort to counteract the influence of terrorist organizations such as Al-Qaeda and Hizbollah. This funding will support diplomatic operations, including expansion of activities in Juba and El Fasher, as well as reconstruction and stabilization efforts. Funds will cover personnel and operating costs, including security, related to the peace process.

### ***Worldwide Security Upgrades – \$67,155,000***

#### ***Afghanistan – \$47,155,000***

Afghanistan is one of the key countries in which the United States is fighting the Global War on Terror (GWOT). Taliban forces have increased the number of attacks in recent months. Additional security is required for State Department personnel to safely execute their critical role in advancing the National Security Strategy of the United States and in supporting the GWOT. FY 2007 supplemental funding of \$13 million will provide armored vehicles for guard force movements to/from the guard force man-camp, as well as other security equipment for guard forces and high threat protection assets. The request also includes \$34 million to continue to cover through FY 2007 the security requirements of other USG agencies supporting this emerging democracy.



## **FY 2007 SUPPLEMENTAL REQUEST**

### *Sudan – \$20,000,000*

State Department personnel are working diligently to find diplomatic solutions to stop the violence in Sudan, end the humanitarian crisis, and facilitate the efforts of humanitarian workers. Adequate security must be provided for the personnel working in the difficult environment in Sudan. FY 2007 supplemental funding of \$20 million is requested for high threat protection for Department officials in Sudan, including in Darfur and Juba, as well as security support for the Special Envoy and other VIP visitors. The funds will also be used to provide security for reconstruction and stabilization efforts, including guard services and physical security upgrades to facilities and residences of Department personnel.

### **Office of Inspector General – \$35,000,000**

FY 2007 supplemental funding of \$35,000,000 is requested for transfer to the Special Inspector General for Iraq Reconstruction (SIGIR) for reconstruction oversight. The request will fund salaries, travel, and contract costs for SIGIR.

### **Educational and Cultural Exchange Programs – \$20,000,000**

FY 2007 supplemental funding of \$20,000,000 is requested for expanded academic programs and professional and cultural exchanges aimed at combating violent extremism.

Exchanges reverse negative perceptions and counter the spread of hatred by bringing people together and exposing them to new ideas. Evaluations of exchange participants have shown that a wide majority improve their understanding of American society and identify American values with their own aspirations for peace, opportunity, and freedom.

Of the total request, \$10.6 million will be used for academic programs, \$8.2 million for professional and cultural exchanges, and \$1.2 million for cover support and overhead costs associated with the programs.

### **Contributions for International Peacekeeping Activities – \$200,000,000**

United Nations peacekeeping plays a key part in the Global War on Terror. FY 2007 supplemental funding of \$200 million is requested to fund unforeseen UN peacekeeping expenses. These costs include \$184 million for increased support costs for the expanded UN peacekeeping operation in Lebanon and \$16 million for support costs for the UN mission in Timor Leste to provide stability and policing capacity.

The United Nations peacekeeping force in Lebanon (UNIFIL) is an essential element of the U.S. strategy in the war on terror. The UNIFIL mission – expanded in August 2006 to an authorized strength of 15,000 troops by UN Security Council Resolution 1701 – helps to mitigate the Hizbollah threat to Israel, the entire Middle East, and U.S. national security interests. If Hizbollah were allowed to succeed, it could create an explosive situation on the border with Israel. In addition, such an event would encourage like-minded organizations to undertake provocative acts of terror. The expansion of UNIFIL was a response to the unanticipated events in Lebanon during the summer of 2006.

In Timor Leste, UN peacekeeping is of strong interest to the U.S. in the fight against terrorism. Unstable countries in Asia have afforded bases for enemy operations and facilitated attacks against U.S. interests and

## **FY 2007 SUPPLEMENTAL REQUEST**

those of allies, as exemplified by the terrorist attacks in Bali and against U.S. Embassies in East Africa. The mission in Timor Leste was established in August 2006 to address continuing instability in that country.

### **Migration and Refugee Assistance – \$71,500,000**

FY 2007 supplemental funding for this account is requested in Foreign Operations.

### **U.S. Emergency Migration and Refugee Assistance – \$30,000,000**

FY 2007 supplemental funding for this account is requested in Foreign Operations.

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## ADDITIONAL FY 2008 FUNDING REQUEST

### *Resource Summary*

(\$ in thousands)

Appropriations	Additional FY 2008 Funding Request
<b>Administration of Foreign Affairs</b>	<b>1,881,608</b>
Diplomatic & Consular Programs	1,881,608
Iraq Operations	1,881,608
<b>International Organizations</b>	<b>53,000</b>
Contributions to International Organizations	53,000
<b>Total, State Department Appropriations Act</b>	<b>1,934,608</b>
Migration & Refugee Assistance (1)	35,000
<b>Other State Department Authorization Act</b>	<b>1,969,608</b>

(1) Funds requested in Foreign Operations.

## **ADDITIONAL FY 2008 FUNDING REQUEST**

### **Diplomatic and Consular Programs – \$1,881,608,000**

#### ***Iraq Operations – \$1,881,608,000***

Additional FY 2008 funding is requested for the full year of personnel, logistical, security, and other costs associated with operating the U.S. Mission in Iraq, including funding to continue expansion of operations at Provincial Reconstruction Teams throughout Iraq.

The size and scope of U.S. Embassy operations in FY 2008 will be impacted by two major considerations: the move into the New Embassy Compound (NEC) and ongoing support requirements for security and reconstruction efforts to rebuild Iraq.

#### ***U.S. Mission Operations/Other Support Activities – \$167,958,000***

FY 2008 will mark a major transition, as the move into the NEC is scheduled to be completed in the first quarter of the fiscal year. All the support and infrastructure for this large mission will be continued at the current levels, including support for the Regional Embassy Offices (REOs). In addition to normal activities, the Mission must provide its own utilities, fire protection, and other support in the absence of a government able to provide such basic services. Because of conditions in Iraq, the State Department also has greater than normal responsibilities for the support of its own personnel, as well as for the support of other agency and contractor personnel.

Additional “off-shore” operational support will continue to be provided by a special unit in the Bureau of Near Eastern Affairs, and in embassies in Jordan and Kuwait, to minimize the number of personnel that must be stationed in Baghdad. The Department is examining other strategies for providing this support through regionalization and enhanced automation. The Iraq Reconstruction Management Office will continue to exist in FY 2008 for the coordination of reconstruction efforts.

#### ***Logistics Support – \$204,000,000***

Day-to-day life support is provided by the large Logistics Civil Augmentation Program (LOGCAP) contract that provides life support to most USG personnel in Iraq. This request assumes that as the military decreases its presence, LOGCAP will be discontinued and new life support contracts will be put into place. The estimate also assumes that the current 60/40 funding split with the military will continue until such time as LOGCAP is phased out. During the transition, life support may require double coverage under both LOGCAP and the new life support contracts for a period of time to ensure that LOGCAP can be safely and successfully discontinued.

#### ***Security – \$802,657,000***

Additional FY 2008 funding will provide for the continuation of the local guard program and Chief of Mission (COM) security support in Baghdad and regional sites. Coverage includes the 12 U.S. agencies currently conducting programs under COM authority. The main components of the security request include: physical and technical security measures to protect the Baghdad Embassy and the REOs (\$15.1 million); the local guard protection of the embassy operations in Baghdad (\$151.6 million); protective security services to support the personnel traveling outside the Embassy (\$440.6 million); protection of the REOs (\$167.3 million); and other security-related issues, including personal protection equipment such as bulletproof vests, clearance support for personnel going to Iraq, and diplomatic courier support (\$28.1 million).

## **ADDITIONAL FY 2008 FUNDING REQUEST**

### *Information Technology – \$12,806,000*

These funds will support the maintenance, repair, and replacement of all secure and non-secure voice and data communications equipment and associated infrastructure for the Chancery, the Palace Annex, the regional offices, and remote outposts. The request supports connectivity, security, and regional support for all agencies under COM authority.

### *Overhead Cover – \$15,000,000*

The request will support the continued construction and installation of overhead cover and other physical security measures for facilities at regional sites and in Baghdad.

### *Provincial Reconstruction Teams – \$679,187,000*

The FY 2008 estimate for PRT costs is \$679.2 million, including surge funding of \$449 million. Funds will be used to stand up new PRTs and to support and augment existing PRTs. The funds requested will be used to cover the costs of salaries, life and other operational support, offices and housing (and furnishings for both), vehicles, communications, and leases not covered by other agencies. This funding also will cover security costs for the stand-alone PRTs that will not be co-located with a brigade combat team or on a forward operating base.

PRTs are a key element of the new U.S. strategy for Iraq, aimed at accelerating the transition to Iraqi self-reliance. PRTs will be used for a decentralized approach to bolster moderates, promote reconciliation, support the U.S. Government's counterinsurgency strategy, foster economic development, and build provincial capacity. Expanded PRTs will be a powerful tool for making real America's commitment to stand firmly beside moderates as they struggle to hold extremists at bay while building a new Iraq.

There are currently 10 PRTs deployed across Iraq of which 7 are American and 3 are Coalition. The Department intends to expand from 10 to at least 18 and as many as 21 PRTs. The new PRTs will roll out in phases, beginning in the second quarter of FY 2007 with Baghdad and Anbar. The augmentation of existing PRTs will begin in the summer and will continue into FY 2008.

PRTs will include both civilian and military personnel working side-by-side in a joint mission. They will target civilian and military resources against a common strategic plan. Expanding the PRTs will be an intensive interagency effort. Although State will have the lead in recruiting and hiring staff for all of the PRTs, full interagency support will be necessary to deploy the new staff to Iraq as quickly as possible.

### **Contributions to International Organizations – \$53,000,000**

The United Nations (UN) promotes peace and security through the work of the Security Council, including so-called special political missions (SPMs) that oversee elections and coordinate the UN's work in troubled areas. The two largest of such missions are the UN Assistance Mission in Afghanistan (UNAMA) and the UN Assistance Mission in Iraq (UNAMI). The missions support U.S. efforts in the Global War on Terror. They coordinate such diverse issues such as human rights, rule of law, drugs, legal, and police and military issues. Through the UN's efforts in these key countries, the United States is able to leverage contributions from across the international community to support stabilization activities. The United States pays 22 percent of the UN regular budget, including the cost of these missions, with all other UN members paying the balance.

Additional FY 2008 funding of \$53 million will pay U.S. assessments toward the costs of UNAMA and UNAMI in 2007.

## ADDITIONAL FY 2008 FUNDING REQUEST

### **Migration and Refugee Assistance – \$35,000,000**

Additional FY 2008 funding for this account is requested in Foreign Operations.

# DEPARTMENT OF STATE FEE COLLECTIONS

## *Overview*

Like other U.S. Government agencies, the Department of State has the authority to charge user fees pursuant to 31 U.S.C. 9701. The Department also has specific statutory authority to charge certain consular fees (8 U.S.C. 1351; 22 U.S.C. 214, 4201, 4215, 4219, 4223, 4225), as well as certain other fees – for example, fees for the use of the National Foreign Affairs Training Center authorized in section 53 of the State Department Basic Authorizations Act of 1956 (22 U.S.C. 2725). While certain of these fees are required to be deposited into miscellaneous receipts, a number of fee authorities specifically permit the Department to charge and retain the fees collected. The following section cites the authority for major fee collections and notes the use of each fee.

## *Fee Collections by Bureau*

### **BUREAU OF CONSULAR AFFAIRS**

#### **Machine Readable Visa Fees**

Section 140 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (P.L. 102-236), as amended, authorizes the Department to charge a fee for processing machine readable non-immigrant visas and to deposit such fees as offsetting collections to any Department appropriation to recover the costs of providing consular services. These fees finance much of the Department's Border Security Program.

#### **Expedited Passport Fees**

The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1995 (P.L. 103-317) authorizes the Department to charge and retain a fee for expedited passport services, to be deposited as an offsetting collection. These fee receipts currently are dedicated to information technology programs.

#### **Passport Security Surcharge and Immigrant Visa Security Surcharge**

The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2005 (P.L. 108-447) authorizes the Department to charge and retain surcharges related to consular services in support of enhanced border security. These fees finance a significant portion of the Department's Border Security Program.

#### **H-1B and L Fraud Prevention and Detection Fee**

Section 426 of the Consolidated Appropriations Act, 2005 (P. L. 108-447) authorizes one-third of fees collected for H-1B and L applications to be available to the Department of State for fraud prevention and detection activities. Section 402 of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terrorism and Tsunami Relief (Public Law 109-13) expands the program to cover H-2B visas. These fees are part of the Department's Border Security Program.

#### **Western Hemisphere Travel Surcharge**

The Passport Services Enhancement Act of 2005 (P.L. 109-167) authorizes the Department to charge a fee to meet increased demand for passports as a result of the Department's implementation of the Western Hemisphere Travel Initiative. This program, enacted through Section 7209 of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), requires the Secretary of Homeland Security, in consultation with the Secretary of State, to develop and implement a plan by January 2008 that requires U.S. citizens and



## **DEPARTMENT OF STATE FEE COLLECTIONS**

certain non-U.S. citizens to present a passport or other secure documentation proving identity and citizenship when entering the United States.

### **Diversity Visa Fees**

Section 636 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (P.L. 104-208) provides that the State Department may collect and retain a fee that ensures the recovery of the cost to the Department of allocating and processing applications for visas to be issued under the Diversity Lottery Program. These fee collections are available until expended to provide consular services and are deposited as an offsetting collection.

### **FBI Fingerprint Fees**

The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1995 (P.L. 103-317) provides that thereafter all receipts received from an increase in the charge for immigration visas attributable to the cost of processing an applicant's fingerprints shall be deposited as an offsetting collection. This allows State to pass on to the visa applicant the cost of FBI fingerprint checks, for which the FBI charges State a fee.

### **Affidavit of Support Fees**

Section 232 of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, 2000 and 2001 (P.L. 106-113), as amended, authorizes the Department to charge and retain fees relating to affidavits of support required under section 213A of the Immigration and Nationality Act. These fee collections are available until expended and are deposited as an offsetting collection to recover the cost of providing consular services.

## **BUREAU OF ECONOMIC AND BUSINESS AFFAIRS**

### **Commercial Services Fees**

Section 52 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2724) authorizes the Department to collect certain fees to recover the cost of providing commercial services at posts abroad in countries where the Department of Commerce does not perform commercial services. These fees are available until September 30 of the fiscal year following the fiscal year in which the funds were deposited.

## **BUREAU OF POLITICAL MILITARY AFFAIRS**

### **Defense Trade Control Fees**

Registration fees are charged by the Office of Defense Trade Controls in accordance with Section 45 of the State Department Basic Authorities Act (22 U.S.C. 2717) and are available without fiscal year limitation for specified expenses related to Defense Trade Control licensing, compliance, and enforcement activities.

## **BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS AND BUREAU OF INTERNATIONAL INFORMATION PROGRAMS**

### **Information and Educational Exchange Fees**

As authorized by section 810 of the United States Information and Educational Exchange Act (22 U.S.C. 1475e) and pursuant to annual appropriations, fees or other payments received are available until expended from the following:

- English Teaching Program
- Library Program

## **DEPARTMENT OF STATE FEE COLLECTIONS**

- Publication Program
- Book Program
- Student Advising Program
- Exchange Visitor Services.

### **FOREIGN SERVICE INSTITUTE**

#### **Fees for Use of National Foreign Affairs Training Center**

Section 53 of the State Department Basic Authorities Act (22 U.S.C. 2725) authorizes the Secretary to charge a fee for use of the National Foreign Affairs Training Center of the Department of State. Amounts collected (including reimbursements and surcharges) are deposited as an offsetting collection to Department of State appropriations to recover the costs of such use and remain available for obligation until expended.

### **BUREAU OF ADMINISTRATION**

#### **Fees for Use of Diplomatic Reception Rooms**

Section 54 of the State Department Basic Authorities Act (22 U.S.C. 2726) authorizes the Secretary to charge a fee for use of the diplomatic reception rooms of the Department of State. Amounts collected (including reimbursements and surcharges) are deposited as an offsetting collection to Department of State appropriations to recover the costs of such use and remain available for obligation until expended.

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# DEPARTMENT OF STATE FEE COLLECTIONS

(\$ in thousands)

Revenue Source	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Machine Readable Visas Processing Fees</b>			
Carryforward Allocations	65,629	54,786	-
Prior Year Collections Unallocated	142,485	84,038	98,960
Current Year Collections Projected (Net)	661,699	707,700	783,085
Total Collections Available	869,813	846,524	894,045
Carryforward Allocations Planned	13,020	-	-
Current Year Allocation Plan	772,755	747,564	861,950
Total Allocations	785,775	747,564	861,950
Carryforward Allocations Returned	52,609	54,786	-
Unallocated Collections	31,429	44,174	20,095
Ending Unallocated Collections	84,038	98,960	20,095
<b>Western Hemisphere Travel Surcharge</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	-	8,425	8,425
Current Year Collections Projected (Net)	8,425	103,800	130,200
Total Collections Available	8,425	103,800	130,200
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	-	103,800	130,200
Total Allocations	-	103,800	130,200
Carryforward Allocations Returned	-	-	-
Unallocated Collections	8,425	8,425	8,425
Ending Unallocated Collections	8,425	8,425	8,425
<b>Passport Security Surcharge</b>			
Carryforward Allocations	-	358	-
Prior Year Collections Unallocated	12,628	25,662	26,020
Current Year Collections Projected (Net)	139,761	223,650	239,700
Total Collections Available	152,419	249,670	265,720
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	126,757	223,650	239,700
Total Allocations	126,757	223,650	239,700
Carryforward Allocations Returned	-	-	-
Unallocated Collections	25,662	26,020	26,020
Ending Unallocated Collections	25,662	26,020	26,020
<b>Immigrant Visa Security Surcharge</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	6,889	23,062	23,062
Current Year Collections Projected (Net)	39,461	26,965	26,965
Total Collections Available	42,361	50,027	50,027
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	23,288	26,965	26,965
Total Allocations	23,288	26,965	26,965
Carryforward Allocations Returned	-	-	-
Unallocated Collections	23,062	23,062	23,062
Ending Unallocated Collections	23,062	23,062	23,062

## DEPARTMENT OF STATE FEE COLLECTIONS

Revenue Source	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Diversity Fee (Border Security)</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	2,000	2,000	2,000
Current Year Collections Projected (Net)	15,100	15,100	15,100
Total Collections Available	17,100	17,100	17,100
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	15,100	15,100	15,100
Total Allocations	15,100	15,100	15,100
Carryforward Allocations Returned	-	-	-
Unallocated Collections	2,000	2,000	2,000
Ending Unallocated Collections	2,000	2,000	2,000
<b>H-1B and L Visa Fraud Detection Fee</b>			
Carryforward Allocations	-	1,095	-
Prior Year Collections Unallocated	28,534	68,079	69,174
Current Year Collections Projected (Net)	43,745	31,800	31,800
Total Collections Available	72,279	100,974	100,974
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	4,200	31,800	31,800
Total Allocations	4,200	31,800	31,800
Carryforward Allocations Returned	-	-	-
Unallocated Collections	68,079	69,174	69,174
Ending Unallocated Collections	68,079	69,174	69,174
<b>Visa Fingerprint Fees</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	10,799	14,687	16,047
Current Year Collections Projected (Net)	5,608	2,860	3,000
Total Collections Available	16,407	17,547	19,047
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	1,720	1,500	1,500
Total Allocations	1,720	1,500	1,500
Carryforward Allocations Returned	-	-	-
Unallocated Collections	14,687	16,047	17,547
Ending Unallocated Collections	14,687	16,047	17,547
<b>Affidavit of Support Fees</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	33,993	37,890	36,690
Current Year Collections Projected (Net)	20,697	19,000	19,000
Total Collections Available	54,690	56,890	55,690
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	16,800	20,200	21,200
Total Allocations	16,800	20,200	21,200
Carryforward Allocations Returned	-	-	-
Unallocated Collections	37,890	36,690	34,490
Ending Unallocated Collections	37,890	36,690	34,490

## DEPARTMENT OF STATE FEE COLLECTIONS

Revenue Source	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Diversity Lottery Fees</b>			
Carryforward Allocations	-	429	-
Prior Year Collections Unallocated	5,251	7,702	6,131
Current Year Collections Projected (Net)	7,251	5,500	5,500
Total Collections Available	12,502	13,631	11,631
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	4,800	7,500	7,500
Total Allocations	4,800	7,500	7,500
Carryforward Allocations Returned	-	429	-
Unallocated Collections	7,702	5,702	4,131
Ending Unallocated Collections	7,702	6,131	4,131
<b>Expedited Passport Fees</b>			
Carryforward Allocations	7,972	32,404	-
Prior Year Collections Unallocated	31,844	55,609	69,193
Current Year Collections Projected (Net)	177,254	202,000	238,000
Total Collections Available	217,070	290,013	307,193
Carryforward Allocations Planned	7,972	32,404	-
Current Year Allocation Plan	153,489	188,416	243,002
Total Allocations	161,461	120,820	243,002
Carryforward Allocations Returned	-	-	-
Unallocated Collections	55,609	69,193	64,191
Ending Unallocated Collections	55,609	69,193	64,191
<b>Defense Trade Control Fees</b>			
Carryforward Allocations	1,018	2,558	-
Prior Year Collections Unallocated	-	-	2,558
Current Year Collections Projected (Net)	9,447	7,310	7,310
Total Collections Available	10,465	9,868	9,868
Carryforward Allocations Planned	1,018	-	-
Current Year Allocation Plan	9,447	7,310	7,310
Total Allocations	10,465	7,310	7,310
Carryforward Allocations Returned	-	2,558	-
Unallocated Collections	-	-	2,558
Ending Unallocated Collections	-	2,558	2,558
<b>Commercial Service Fees</b>			
Carryforward Allocations	-	-	-
Prior Year Collections Unallocated	9	-	-
Current Year Collections Projected (Net)	7	20	20
Total Collections Available	16	20	20
Carryforward Allocations Planned	-	-	-
Current Year Allocation Plan	16	20	20
Total Allocations	16	20	20
Carryforward Allocations Returned	-	-	-
Unallocated Collections	-	-	-
Ending Unallocated Collections	-	-	-

## DEPARTMENT OF STATE FEE COLLECTIONS

Revenue Source	FY 2006 Actual	FY 2007 Estimate	FY 2008 Request
<b>Sec. 810 USI &amp; EE Act Fees</b>			
Carryforward Allocations	5,153	2,816	-
Prior Year Collections Unallocated	322	2,590	1,543
Current Year Collections Projected (Net)	5,781	6,000	6,000
Total Collections Available	11,256	11,406	7,543
Carryforward Allocations Planned	5,153	1,273	-
Current Year Allocation Plan	3,191	6,000	6,000
Total Allocations	8,344	7,273	6,000
Carryforward Allocations Returned	-	1,543	-
Unallocated Collections	2,590	-	1,543
Ending Unallocated Collections	2,590	1,543	1,543

# LEGISLATIVE LANGUAGE

## *FY 2008 Budget Request*

### DIPLOMATIC AND CONSULAR PROGRAMS

For necessary expenses of the Department of State and the Foreign Service not otherwise provided for, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed \$700,000 of this appropriation), as authorized by section 801 of the United States Information and Educational Exchange Act of 1948; representation to certain international organizations in which the United States participates pursuant to treaties ratified pursuant to the advice and consent of the Senate or specific Acts of Congress; arms control, nonproliferation and disarmament activities as authorized; acquisition by exchange or purchase of passenger motor vehicles as authorized by law; and for expenses of general administration, \$3,977,940,000: Provided, That of the amount made available under this heading, not to exceed \$10,000,000 may be transferred to, and merged with, funds in the “Emergencies in the Diplomatic and Consular Service” appropriations account, to be available only for emergency evacuations and terrorism rewards: Provided further, That funds available under this heading may be available for a United States Government interagency task force to examine, coordinate and oversee United States participation in the United Nations headquarters renovation project: Provided further, That funds appropriated under this heading are available, pursuant to 31 U.S.C. 1108(g), for the field examination of programs and activities in the United States funded from any account contained in this title.

In addition, not to exceed \$1,558,390 shall be derived from fees collected from other executive agencies for lease or use of facilities located at the International Center in accordance with section 4 of the International Center Act; in addition, as authorized by section 5 of such Act, \$490,000, to be derived from the reserve authorized by that section, to be used for the purposes set out in that section; in addition, as authorized by section 810 of the United States Information and Educational Exchange Act, not to exceed \$6,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from English teaching, library, motion pictures, and publication programs and from fees from educational advising and counseling and exchange visitor programs; and, in addition, not to exceed \$15,000, which shall be derived from reimbursements, surcharges, and fees for use of Blair House facilities.

In addition, for the costs of worldwide security upgrades, \$964,760,000, to remain available until expended.

### CAPITAL INVESTMENT FUND

For necessary expenses of the Capital Investment Fund, \$70,743,000, to remain available until expended, as authorized: Provided, That section 135(e) of Public Law 103–236 shall not apply to funds available under this heading.

### EMBASSY SECURITY, CONSTRUCTION, AND MAINTENANCE

For necessary expenses for carrying out the Foreign Service Buildings Act of 1926 (22 U.S.C. 292–303), preserving, maintaining, repairing, and planning for buildings that are owned or directly leased by the Department of State, renovating, in addition to funds otherwise available, the Harry S Truman Building, and carrying out the Diplomatic Security Construction Program as authorized, \$792,534,000, to remain available until expended as authorized, of which not to exceed \$25,000 may be used for domestic and overseas representation as authorized: Provided, That none of the funds appropriated in this paragraph shall be available for acquisition of furniture, furnishings, or generators for other departments and agencies. In addition, for the costs of worldwide security upgrades, acquisition, and construction as authorized, \$806,900,000, to remain available until expended.



# **LEGISLATIVE LANGUAGE**

## **OFFICE OF INSPECTOR GENERAL**

For necessary expenses of the Office of Inspector General, \$32,508,000, notwithstanding section 209(a)(1) of the Foreign Service Act of 1980 (Public Law 96–465), as it relates to post inspections.

## **EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS**

For expenses of educational and cultural exchange programs, as authorized, \$486,400,000, to remain available until expended: Provided, That not to exceed \$5,000,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from or in connection with English teaching, educational advising and counseling programs, and exchange visitor programs as authorized.

## **REPRESENTATION ALLOWANCES**

For representation allowances as authorized, \$8,175,000.

## **PROTECTION OF FOREIGN MISSIONS AND OFFICIALS**

For expenses, not otherwise provided, to enable the Secretary of State to provide for extraordinary protective services, as authorized, \$18,000,000, to remain available until September 30, 2009.

## **EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE**

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service, \$19,000,000, to remain available until expended as authorized, of which not to exceed \$1,000,000 may be transferred to and merged with the “Repatriation Loans Program Account”, subject to the same terms and conditions.

## **REPATRIATION LOANS PROGRAM ACCOUNT**

For the cost of direct loans, \$678,000, as authorized: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974. In addition, for administrative expenses necessary to carry out the direct loan program, \$607,000, which may be paid to and merged with funds in the “Diplomatic and Consular Programs” account.

## **PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN**

For necessary expenses to carry out the Taiwan Relations Act (Public Law 96–8), \$16,351,000.

## **PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND**

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, \$122,500,000.

## **CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS**

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties ratified pursuant to the advice and consent of the Senate, conventions or specific Acts of Congress, \$1,354,400,000: Provided, That any payment of arrearages under this title shall be directed toward special activities that are mutually agreed upon by the United States and the respective international organization: Provided further, That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international

## **LEGISLATIVE LANGUAGE**

organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings, except that such restriction shall not apply to loans to the United Nations for renovation of its headquarters.

### **CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES**

For necessary expenses to pay assessed and other expenses of international peacekeeping activities directed to the maintenance or restoration of international peace and security, \$1,107,000,000, of which 15 percent shall remain available until September 30, 2009: Provided, That it is the sense of the Congress that at least 15 days in advance of voting for the new or expanded mission in the United Nations Security Council (or in an emergency as far in advance as is practicable): (1) the Committees on Appropriations and other appropriate committees of the Congress should be notified of the estimated cost and length of the mission, the national interest that will be served, and the planned exit strategy; (2) the Committees on Appropriations and other appropriate committees of the Congress should be notified that the United Nations has taken appropriate measures to prevent United Nations employees, contractor personnel, and peacekeeping forces serving in any United Nations peacekeeping mission from trafficking in persons, exploiting victims of trafficking, or committing acts of illegal sexual exploitation, and to hold accountable individuals who engage in such acts while participating in the peacekeeping mission; and (3) notification pursuant to section 605 of this Act should be submitted, and the procedures therein followed, setting forth the source of funds that will be used to pay for the cost of the new or expanded mission: Provided further, That funds shall be available for peacekeeping expenses only upon a certification by the Secretary of State to the appropriate committees of the Congress that American manufacturers and suppliers are being given opportunities to provide equipment, services, and material for United Nations peacekeeping activities equal to those being given to foreign manufacturers and suppliers.

### **INTERNATIONAL COMMISSIONS**

For necessary expenses, not otherwise provided for, to meet obligations of the United States arising under treaties, or specific Acts of Congress, as follows:

#### **INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO**

For necessary expenses for the United States Section of the International Boundary and Water Commission, United States and Mexico, and to comply with laws applicable to the United States Section, including not to exceed \$6,000 for representation; as follows:

#### **SALARIES AND EXPENSES**

For salaries and expenses, not otherwise provided for, \$30,430,000.

### **CONSTRUCTION**

For a detailed plan, preparation, and construction of authorized projects, \$71,725,000, to remain available until expended, of which up to \$66,000,000 is for construction in the United States of secondary wastewater treatment capability at the South Bay International Wastewater Treatment Plant and which shall become available only after the International Boundary and Water Commission determines that negotiations to implement section 804 of P.L. 106-457, as amended, are terminated: Provided, That if the International Boundary and Water Commission executes an agreement pursuant to section 804, up to \$3,000,000 of the amount otherwise provided for the South Bay Plant may be transferred to “Salaries and Expenses,” International Boundary and Water Commission.

## **LEGISLATIVE LANGUAGE**

### **INTERNATIONAL FISHERIES COMMISSIONS**

For necessary expenses for international fisheries commissions, not otherwise provided for, as authorized by law, \$21,000,000: Provided, That the United States' share of such expenses may be advanced to the respective commissions pursuant to 31 U.S.C. 3324.

### **AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS**

For necessary expenses, not otherwise provided, for the International Joint Commission and the International Boundary Commission, United States and Canada, as authorized by treaties between the United States and Canada or Great Britain, and for the Border Environment Cooperation Commission as authorized by Public Law 103-182, \$10,395,000, of which not to exceed \$9,000 shall be available for representation expenses incurred by the International Joint Commission.

### **PAYMENT TO THE ASIA FOUNDATION**

For a grant to the Asia Foundation, as authorized by the Asia Foundation Act (22 U.S.C. 4402), \$10,000,000, to remain available until expended, as authorized.

### **NATIONAL ENDOWMENT FOR DEMOCRACY**

For grants made by the Department of State to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, \$80,000,000, to remain available until expended.

### **EAST-WEST CENTER**

To enable the Secretary of State to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to the Center for Cultural and Technical Interchange Between East and West in the State of Hawaii, \$10,000,000: Provided, That none of the funds appropriated herein shall be used to pay any salary, or enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376.

### **CENTER FOR MIDDLE EASTERN-WESTERN DIALOGUE**

For necessary expenses of the Center for Middle Eastern-Western Dialogue, the total amount of the interest and earnings accruing to such Fund on or before September 30, 2008, to remain available until expended.

### **EISENHOWER EXCHANGE FELLOWSHIP PROGRAM**

For necessary expenses of Eisenhower Exchange Fellowships, Incorporated, as authorized by sections 4 and 5 of the Eisenhower Exchange Fellowship Act of 1990 (20 U.S.C. 5204-5205), all interest and earnings accruing to the Eisenhower Exchange Fellowship Program Trust Fund on or before September 30, 2008, to remain available until expended: Provided, That none of the funds appropriated herein shall be used to pay any salary or other compensation, or to enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376; or for purposes which are not in accordance with OMB Circulars A-110 (Uniform Administrative Requirements) and A-122 (Cost Principles for Non-profit Organizations), including the restrictions on compensation for personal services.

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### ISRAELI ARAB SCHOLARSHIP PROGRAM

For necessary expenses of the Israeli Arab Scholarship Program as authorized by section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452), all interest and earnings accruing to the Israeli Arab Scholarship Fund on or before September 30, 2008, to remain available until expended.

### MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, \$773,500,000, to remain available until expended: Provided, That not more than \$23,000,000 may be available for administrative expenses.

### UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 2601(c)), and notwithstanding section 2(c)(2) of such Act, \$55,000,000, to remain available until expended.

### GENERAL PROVISIONS—DEPARTMENT OF STATE AND RELATED AGENCY

SEC. 401. Funds appropriated under this title shall be available, except as otherwise provided, for allowances and differentials as authorized by subchapter 59 of title 5, United States Code; for services as authorized by 5 U.S.C. 3109; and for hire of passenger transportation pursuant to 31 U.S.C. 1343(b).

SEC. 402. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of State in this title may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: Provided, That not to exceed 5 percent of any appropriation made available for the current fiscal year for the Broadcasting Board of Governors in this title may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: Provided further, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 403. Funds appropriated or otherwise made available by this Act may be used to provide equipment, technical support consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation (PBC) only if that assistance is directed at promoting reform, improving the professionalism of the PBC and its staff, and promoting messages of tolerance rather than incitement in PBC programming.

SEC. 404. (a) The Senior Policy Operating Group on Trafficking in Persons, established under section 105(f) of the Victims of Trafficking and Violence Protection Act of 2000 (22 U.S.C. 7103(f)) to coordinate agency activities regarding policies (including grants and grant policies) involving the international trafficking in persons, shall coordinate all such policies related to the activities of traffickers and victims of severe forms of trafficking.

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(b) None of the funds provided in this or any other Act shall be expended to perform functions that duplicate coordinating responsibilities of the Operating Group.

(c) The Operating Group shall continue to report only to the authorities that appointed them pursuant to section 105(f).

SEC. 405. (a) None of the funds appropriated or otherwise made available under this title shall be expended for any purpose for which appropriations are prohibited by section 616 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999.

(b) The requirements in subsections (b) and (c) of section 616 of that Act shall continue to apply during fiscal year 2008.

SEC. 406. (a) Except as provided in subsection (b), a project to construct a diplomatic facility of the United States may not include office space or other accommodations for an employee of a Federal agency or department if the Secretary of State determines that such department or agency has not provided to the Department of State the full amount of funding required by subsection (e) of section 604 of the Secure Embassy Construction and Counterterrorism Act of 1999 (as enacted into law by section 1000(a)(7) of Public Law 106–113 and contained in appendix G of that Act; 113 Stat. 1501A–453), as amended by section 629 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2005.

(b) Notwithstanding the prohibition in subsection (a), a project to construct a diplomatic facility of the United States may include office space or other accommodations for members of the Marine Corps.

SEC. 407. Ceilings and earmarks contained in this title shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs. Earmarks or minimum funding requirements contained in any other Act shall not be applicable to funds appropriated by this title.

SEC. 408. (a) In General. —Section 404(b)(2)(B) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, as amended (22 U.S.C. 287e note) is further amended at the end by adding the following:

“(v) For assessments made during calendar years 2005, 2006, 2007, and 2008, 27.1 percent.”

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### *FY 2007 Supplemental and Additional FY 2008 Funding Requests*

#### DIPLOMATIC AND CONSULAR PROGRAMS

(2007 supplemental now requested)

For an additional amount for “Diplomatic and Consular Programs,” \$912,996,000, to remain available until September 30, 2008, of which \$67,155,000 for World Wide Security Upgrades is available until expended.

(Additional 2008 funding now requested)

For an additional amount for “Diplomatic and Consular Programs,” \$1,881,608,000, to remain available until September 30, 2009.

#### OFFICE OF THE INSPECTOR GENERAL

(2007 supplemental now requested)

For an additional amount for “Office of Inspector General,” \$35,000,000, to remain available until December 31, 2008: Provided, That these funds shall be transferred to the Special Inspector General for Iraq Reconstruction for reconstruction oversight.

#### EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

(2007 supplemental now requested)

For an additional amount for “Educational and Cultural Exchange Programs,” \$20,000,000, to remain available until expended.

#### CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

(Additional 2008 funding now requested)

For an additional amount for “Contributions to International Organizations,” \$53,000,000.

#### CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

(2007 supplemental now requested)

For an additional amount for “Contributions for International Peacekeeping Activities,” \$200,000,000, to remain available until September 30, 2008.

#### MIGRATION AND REFUGEE ASSISTANCE

(2007 supplemental now requested)

For an additional amount for “Migration and Refugee Assistance,” \$71,500,000, to remain available until September 30, 2008.

(Additional 2008 funding now requested)

For an additional amount for “Migration and Refugee Assistance,” \$35,000,000, to remain available until expended.

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### UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

(2007 supplemental now requested)

For an additional amount for “United States Emergency Refugee and Migration Assistance Fund,” \$30,000,000, to remain available until expended.